

still have life, of a devoted and affectionate friend.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GEARHART, for 2 weeks, on account of urgent business, public and private.

To Mr. SASSER (at the request of Mr. D'ALESSANDRO), for 1 week, on account of important business.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2004. An act to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on December 2, 1944, present to the President, for his approval, bills of the House of the following titles:

H. R. 86. An act to grant pensions to certain unmarried dependent widows of Civil War veterans who were married to the veteran subsequent to June 26, 1905; and

H. R. 5386. An act to amend the Selective Training and Service Act of 1910, as amended, to extend the time within which application may be made for reemployment, and for other purposes.

#### ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p. m.) the House, pursuant to its order heretofore entered, adjourned until Tuesday, December 5, 1944, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

##### COMMITTEE ON REVISION OF THE LAWS

The committee will hold a hearing on Wednesday, December 6, 1944, at 10 a. m., in the committee room of the Committee on Agriculture, to consider H. R. 5450, to revise and codify the criminal laws of the United States and to hold public hearings thereon.

#### EXECUTIVE COMMUNICATIONS, ETC.

2059. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to repeal the act entitled "An act to authorize the conveyance of the old lighthouse keeper's residence in Manitowoc, Wis., to the Otto Oas Post, No. 659, Veterans of Foreign Wars of the United States, Manitowoc, Wis.," approved June 16, 1938, was taken from the Speaker's table and referred to the Committee on the Merchant Marine and Fisheries.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 667. Resolution for the consid-

eration of H. R. 5564, a bill to fix the rate of tax under the Federal Contributions Act on employer and employees for the calendar year 1945; without amendment (Rept. No. 2013). Referred to the House Calendar.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House report No. 2014. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. PATMAN: Special Committee on Small Business. Sixth interim report pursuant to House Resolution No. 18. Resolution creating a Select Committee on Small Business and defining its powers (Rept. No. 2015). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on Labor. H. R. 3985. A bill to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry; without amendment (Rept. No. 2016). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON of North Carolina: Committee on Ways and Means. H. R. 5543. A bill extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes; without amendment (Rept. No. 2017). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON of North Carolina: Committee on Ways and Means. H. R. 5565. A bill to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps; without amendment (Rept. No. 2018). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. FULMER:

H. R. 5574. A bill to provide for the use of net weights in interstate commerce transactions in cotton, to provide for the standardization of bale coverings for cotton, to encourage the compression of cotton to higher density at gins, and for other purposes; to the Committee on Agriculture.

H. R. 5575. A bill to provide for the classification of cotton for producers, and for other purposes; to the Committee on Agriculture.

By Mr. MAY:

H. R. 5576. A bill to establish the grade of Fleet Admiral of the United States Navy; to establish the grade of General of the Army, and for other purposes; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas:

H. J. Res. 320. Joint resolution proposing an amendment to the Constitution of the United States relative to the making of treaties; to the Committee on the Judiciary.

By Mr. OUTLAND:

H. J. Res. 321. Joint resolution extending the life of the Smaller War Plants Corporation; to the Committee on Banking and Currency.

By Mrs. NORTON:

H. Res. 668. Resolution for the consideration of H. R. 3986, a bill to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 5577. A bill for the relief of George E. Baker, to the Committee on Claims.

By Mrs. FULMER:

H. R. 5578. A bill for the relief of Mrs. Glenn T. Boyleston; to the Committee on Claims.

By Mr. O'BRIEN of Illinois:

H. R. 5579. A bill for the relief of Rosa Natalia Christopher; to the Committee on Immigration and Naturalization.

By Mr. WALTER:

H. R. 5580. A bill for the relief of the estate of Archie S. Woods, deceased, to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6229. By Mr. ROLPH: Resolution No. 4308, series of 1939, Board of Supervisors of the City and County of San Francisco endorsing House bill 735 covering personnel engaged in Army transport service in Spanish-American War; to the Committee on World War Veterans' Legislation.

6230. Also, Resolution No. 4307, series of 1939, Board of Supervisors of the City and County of San Francisco endorsing Senate bill 2105 known as the Hayden Federal-aid highway bill; to the Committee on Roads.

## SENATE

TUESDAY, DECEMBER 5, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. John R. Edwards, D. D., associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Our Father God, earth is Thy footstool while heaven is Thy throne. May a sense of Thy nearness to us make sacred even the secular elements of life. We give humble thanks for our daily bread and the supply of harvests for the multitudes of earth. With these mercies give us a growing measure of experience in the realm of truth and higher attainments of character in all our daily living.

Bless those in responsibilities of public life whose words and decisions are so far-reaching. Be in the midst of those who are planning a new world order which shall displace the perils which have disturbed and endangered the Nation's life in recent years. Help them to attain the quiet mind, the far-reaching vision, and, in superior wisdom, the spirit of great unity. In this petition we claim the promise, if any man lack wisdom let him ask of God who giveth to all men liberally and upbraideth not; and we plead the merits of Christ our Lord. Amen.

#### THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, December 4, 1944, was dispensed with, and the Journal was approved.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1590. An act for the relief of the State of Tennessee;

S. 1645. An act relating to the administration of the Glacier National Park Fish Hatchery, at Creston, Mont., and for other purposes;

S. 1710. An act to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian; and

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the eastern judicial district of South Carolina.

The message also announced that the House had passed the following bills of the Senate, each with an amendment in which it requested the concurrence of the Senate:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge; and

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

The message further announced that the House had passed the bill (S. 963) relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 56) authorizing the acceptance of a bust of Hon. Cordell Hull, former Secretary of State.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1744) to provide Government protection to widows and children of deceased World War veterans.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4917) conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1080).

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 126. An act to authorize the Secretary of the Interior to sell certain lands, and for other purposes;

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts;

H. R. 2448. An act to provide that nationals of the United States shall not lose their nationality by reason of voting under legal compulsion in a foreign state;

H. R. 3442. An act to amend sections 1, 2, and 3 of the act entitled "An act to punish the willful injury or destruction of war ma-

terial, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103);

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended;

H. R. 4626. An act to declare a portion of the Illinois & Michigan Canal an unnavigable stream;

H. R. 4642. An act to amend the Nationality Act of 1940;

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming;

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington;

H. R. 4852. An act to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals;

H. R. 4892. An act relating to clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.;

H. R. 4919. An act to amend the act authorizing postmasters in Alaska to administer oaths and affirmations;

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes;

H. R. 5221. An act to eliminate as uncollectible certain credits of the United States;

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard;

H. R. 5464. An act to amend the law relating to the authority of certain employees of the Immigration and Naturalization Service to make arrests without warrant in certain cases and to search vehicles within certain areas;

H. R. 5496. An act to amend section 401 (a) of the Nationality Act of 1940;

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service; and

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.

## CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Buck	Chandler
Austin	Burton	Clark, Mo.
Bailey	Bushfield	Connally
Ball	Butler	Cordon
Bankhead	Byrd	Danaher
Bilbo	Capper	Davis
Brooks	Caraway	Downey

Eastland	Lucas	Shipstead
Ellender	McClellan	Stewart
Ferguson	McFarland	Taft
George	McKellar	Thomas, Idaho
Gerry	Maloney	Thomas, Okla.
Gillette	Maybank	Thomas, Utah
Green	Mead	Tunnell
Guffey	Millikin	Tydings
Gurney	Murray	Vandenberg
Hall	Nye	Wagner
Hatch	O'Daniel	Wallgren
Hayden	O'Mahoney	Walsh, Mass.
Hill	Overton	Walsh, N. J.
Holman	Radcliffe	Weeks
Jenner	Reed	Wheeler
Johnson, Calif.	Revercomb	Wherry
Johnson, Colo.	Reynolds	White
La Follette	Robertson	Wiley
Langer	Russell	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON].

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

## REPORT ON UNITED STATES PARTICIPATION IN U. N. R. R. A. OPERATIONS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read by the legislative clerk, and, with the accompanying report, referred to the Committee on Foreign Relations:

*To the Congress of the United States of America:*

I am transmitting herewith the first quarterly report on U. N. R. R. A. expenditures and operations in accordance with the act of March 28, 1944, authorizing United States participation in the work of the United Nations Relief and Rehabilitation Administration.

The enemy has been driven out of all or virtually all of the Soviet Union, France, Greece, Belgium, and Luxembourg. Parts of the Netherlands, Yugoslavia, Poland, Czechoslovakia, and Norway, as well as the Philippines, New Guinea, New Britain, and Burma have been liberated by the armed forces of the United Nations. Those forces—more powerful each month than the month before—are now striking addi-



tional blows to complete the task of liberation and to achieve final victory over Germany and Japan.

U. N. R. R. A. was established by the United Nations to help meet those essential needs of the people of the liberated areas which they cannot provide for themselves. Necessary relief stocks are being acquired and the personnel recruited to assure efficient and equitable administration of relief supplies and relief services. As rapidly as active military operations permit, U. N. R. R. A. is undertaking operations in the field. U. N. R. R. A. representatives are already in or on the way to liberated areas of Europe and are preparing to go to the Pacific and Far East. The colossal task of relieving the suffering of the victims of war is under way.

The conditions which prevail in many liberated territories have proven unfortunately to be fully as desperate as earlier reports have indicated. The enemy has been ruthless beyond measure. The Nazis instituted a deliberate policy of starvation, persecution, and plunder which has stripped millions of people of everything which could be destroyed or taken away.

The liberated peoples will be helped by U. N. R. R. A. so that they can help themselves; they will be helped to gain the strength to repair the destruction and devastation of the war and to meet the tremendous task of reconstruction which lies ahead.

All the world owes a debt to the heroic peoples who fought the Nazis from the beginning—fought them even after their homelands were occupied and against overwhelmingly odds—and who are continuing the fight once again as free peoples to assist in the task of crushing completely Nazi and Japanese tyranny and aggression.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 5, 1944.

DECEMBER 5, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the

#### EXECUTIVE COMMUNICATION

The VICE PRESIDENT laid before the Senate the following letter, which was referred as indicated:

##### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of the Treasury, War, Post Office (2), Navy, Agriculture, Commerce, and Labor (2); and the Government Printing Office which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

H. R. 4446. A bill to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code; with amendments (Rept. No. 1305).

By Mr. WHEELER, from the Committee on Interstate Commerce:

H. R. 1997. A bill to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone; with amendments (Rept. No. 1306).

By Mr. BILBO, from the Committee on the District of Columbia:

S. 2205. A bill to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets; without amendment (Rept. No. 1307).

By Mr. BAILEY, from the Committee on Commerce:

S. 1159. A bill creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct,

#### COMMITTEE ON APPROPRIATIONS

names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms

maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.; with amendments (Rept. No. 1308).

By Mr. MCFARLAND, from the Committee on the Judiciary:

S. 1817. A bill authorizing the appointment of an additional judge for the district of Delaware; without amendment (Rept. No. 1309).

By Mr. THOMAS of Utah, from the Committee on Education and Labor:

H. R. 4159. A bill to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742); without amendment (Rept. No. 1310).

By Mr. MEAD, from the Committee on Post Offices and Post Roads:

S. 1882. A bill to increase the compensation of employees in the Postal Service; without amendment (Rept. No. 1312).

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. R. 4311. A bill to authorize the appointment of two additional Assistant Secretaries of State; with amendments (Rept. No. 1314).

#### ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, December 5, 1944, that committee presented to the President of the United States the enrolled bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942.

#### PERSONS EMPLOYED BY A COMMITTEE WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The VICE PRESIDENT laid before the Senate a monthly report of the acting chairman of the Committee on Appropriations made in response to Senate Resolution 319, agreed to August 23, 1944, relative to persons employed who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
John F. Feeney.....	1425 Rhode Island Ave. NW.....	General Accounting Office, Washington, D. C.....	\$6,400
Harold E. Merrick.....	906 Aspen St. NW.....	do.....	4,800
Thomas J. Scott.....	3500 14th St. NW.....	Federal Bureau of Investigation, Department of Justice, Washington, D. C.....	4,800
Mrs. Mamie L. Mizen.....	1434 Saratoga Ave.....	District of Columbia Government.....	3,500

KENNETH McKELLAR, Acting Chairman.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCFARLAND:

S. 2210. A bill to authorize the Secretary of the Interior to modify the provisions of a contract for the purchase of a power plant for use in connection with the San Carlos irrigation project; to the Committee on Indian Affairs.

By Mr. HATCH:

S. 2211 (by request). A bill to amend Public Law 603 (77th Cong., ch. 404, 2d sess.), entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for

other purposes"; to the Committee on Banking and Currency.

#### HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 1.6. An act to authorize the Secretary of the Interior to sell certain lands, and for other purposes; and

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington; to the Committee on Indian Affairs.

H. R. 1033. An act to suspend the effectiveness during the existing national emergency

of the tariff duty on coconuts; to the Committee on Finance.

H. R. 2448. An act to provide that nationals of the United States shall not lose their nationality by reason of voting under legal compulsion of a foreign state;

H. R. 4642. An act to amend the Nationality Act of 1940;

H. R. 5464. An act to amend the law relating to the authority of certain employees of the Immigration and Naturalization Service to make arrests without warrant in certain cases and to search vehicles within certain areas; and

H. R. 5496. An act to amend section 401 (a) of the Nationality Act of 1940; to the Committee on Immigration.

H. R. 3442. An act to amend sections 1, 2, and 3 of the act entitled "An act to punish

the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103); to the Committee on the Judiciary.

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended; to the Committee on Territories and Insular Affairs.

H. R. 4626. An act to declare a portion of the Illinois and Michigan Canal an unnavigable stream; to the Committee on Commerce.

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming; to the Committee on Public Lands and Surveys.

H. R. 4852. An act to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals; to the Committee on Mines and Mining.

H. R. 4892. An act relating to clerical assistance at post offices, branches, or stations serving military and naval personnel and for other purposes; and

H. R. 4919. An act to amend the act authorizing postmasters in Alaska to administer oaths and affirmations; to the Committee on Post Offices and Post Roads.

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.; to the Committee on Interstate Commerce.

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes; to the Committee on Banking and Currency.

H. R. 5221. An act to eliminate as uncollectible certain credits of the United States; to the Committee on Expenditures in the Executive Departments.

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service; and

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.; to the Committee on Agriculture and Forestry.

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard; ordered to be placed on the calendar.

#### RIVER AND HARBOR IMPROVEMENTS—AMENDMENTS

Mr. BILBO and Mr. WAGNER each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. OVERTON (for Mr. PEPPER) submitted five amendments intended to be proposed by Mr. PEPPER to House bill

3961, supra, which were ordered to lie on the table and to be printed.

#### ACCUMULATED OR ACCRUED ANNUAL LEAVE DUE CERTAIN GOVERNMENT EMPLOYEES—AMENDMENT

Mr. WALSH of Massachusetts. Mr. President, I submit an amendment intended to be proposed by me to House bill 4918, which I request may be appropriately referred, printed, and printed in the RECORD; and I also present an explanatory statement of the amendment which I ask to have printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment intended to be proposed by Mr. WALSH of Massachusetts to the bill (H. R. 4918) to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service, was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 2, section 2, strike out line 25 and insert in lieu thereof the following: "shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and filed with the employing agency;

"Second, if there be no such designated beneficiary, to the estate of such deceased employee."

The explanatory statement presented by Mr. WALSH of Massachusetts relating to the amendment is as follows:

#### EXPLANATION OF AMENDMENT TO H. R. 4918, SECTION 2, LINE 25

Section 2 of the bill as passed by the House and as reported to the Senate provides that, upon the death of an employee of the Federal Government or of the government of the District of Columbia, compensation for all of such employee's accumulated and current accrued annual or vacation leave which such employee would have received had he remained in the service until the expiration of such period, shall be paid to his estate.

Under the proposed amendment, the employee is given the right to designate a beneficiary or beneficiaries to receive such compensation upon his death upon the establishment of a valid claim therefor. The amendment would thus make possible the speedy payment of the amount determined to be due by the employing agency and would, in those cases not otherwise requiring the probate of an estate, eliminate the necessity for probate and the expenses attendant thereto. The cost of probate, in relation to the amount involved, might well prove to be an onerous and expensive burden to the widow and children of the deceased employee.

In section 724 of the Civil Service Retirement Act, as amended (5 U. S. C. 724), Congress recognized the principle of permitting an employee subject to the Retirement Act to designate a beneficiary to receive, on his death, the amount to his credit in the civil service retirement and disability fund. The proposed amendment would thus be in accord with that principle and also with the recommendation in the Sixtieth Annual Report of the United States Civil Service Commission (fiscal year ended June 30, 1943), page 67, paragraph 38, where it is stated:

"38. Legislation should be enacted to permit the lump-sum payment for accrued annual leave to the estate or survivor of a deceased Federal employee." [Italics supplied.]

#### ASSISTANT CLERK, COMMITTEE ON EDUCATION AND LABOR

Mr. THOMAS of Utah submitted the following resolution (S. Res. 342), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That Resolution No. 14, agreed to January 27, 1941, authorizing the Committee on Education and Labor to employ an assistant clerk, to be paid from the contingent fund of the Senate at the rate of \$2,880 per annum, hereby is continued in full force and effect until the end of the Seventy-ninth Congress.

#### ADDITIONAL CLERK, COMMITTEE ON EDUCATION AND LABOR

Mr. THOMAS of Utah submitted the following resolution (S. Res. 343), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That Resolution No. 251, agreed to June 4, 1942, authorizing the Committee on Education and Labor to employ an additional clerk, to be paid from the contingent fund of the Senate at the rate of \$1,800 per annum, hereby is continued in full force and effect until the end of the Seventy-ninth Congress.

#### HEARINGS BEFORE COMMITTEE ON EDUCATION AND LABOR DURING SEVENTY-NINTH CONGRESS

Mr. THOMAS of Utah submitted the following resolution (S. Res. 344), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Education and Labor, or any subcommittee thereof, is authorized, during the Seventy-ninth Congress, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, the total expenses pursuant to this resolution (which shall not exceed \$5,000) to be paid out of the contingent fund of the Senate; and the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

#### PAYMENT TO HOWARD B. SMITH

Mr. AIKEN submitted the following resolution (S. Res. 345), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That notwithstanding the limit of expenditures contained in Senate Resolution 197, Seventy-eighth Congress, agreed to December 9, 1943 (authorizing an investigation by the Committee on Agriculture and Forestry of the administration of the Rural Electrification Act), as modified by Senate Resolution 238, Seventy-eighth Congress, agreed to February 8, 1944, there is hereby authorized to be paid from the contingent fund of the Senate to Howard B. Smith, the sum of \$2,805 as compensation for stenographic services rendered to the Committee on Agriculture and Forestry in reporting and transcribing hearings held before such committee pursuant to Senate Resolution 197, Seventy-eighth Congress.

#### HEARINGS BEFORE MILITARY AFFAIRS COMMITTEE—LIMIT OF EXPENDITURES

Mr. REYNOLDS submitted the following resolution (S. Res. 346), which was



referred to the Committee to Audit and Control the Contingent Expenses of the Senate;

*Resolved*, That the limit of expenditures authorized by Senate Resolution 32, agreed to January 14, 1943, and Senate Resolution 179, agreed to October 27, 1943, authorizing the Committee on Military Affairs to hold hearings during the Seventy-eighth Congress, is hereby increased by \$5,000.

#### THE TREND OF THE TIMES—ADDRESS BY THE VICE PRESIDENT

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an address entitled "The Trend of the Times," delivered by Hon. HENRY A. WALLACE, Vice President of the United States, at an anniversary dinner in honor of Marshall Field and the Chicago Sun, at Chicago, Ill., December 4, 1944, which appears in the Appendix.]

#### THE SHOCKING TRUTH ABOUT RADIO—ARTICLE BY SENATOR WHEELER

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "The Shocking Truth About Radio," written by him and published in the November 6 issue of La Follette's magazine The Progressive, which appears in the Appendix.]

#### FREEDOM OF SPEECH FOR WHOM?—ARTICLE BY CLIFFORD JUDKINS DURR

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "Freedom of Speech for Whom?" by Clifford Judkins Durr, from the Public Opinion Quarterly for the fall of 1944, which appears in the Appendix.]

#### RAILROAD ACCIDENTS

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an editorial from the Tulsa Tribune of September 20, 1944, and two editorials from the St. Louis Post-Dispatch, one of September 29, 1944, and one of October 9, 1944, together with a letter from C. H. Dalton, chairman of the Illinois legislative committee of the Order of Railway Conductors of America, having to do with railroad accidents, which appear in the Appendix.]

#### EDITORIAL TRIBUTE TO RUSH D. HOLT

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "In Judgment of Rush Holt," written by Luther R. Jones and published in the Coal Valley News of Madison, W. Va., which appears in the Appendix.]

#### SURVEY OF SOUTH DAKOTA'S POST-WAR EXPENDITURES AND EMPLOYMENT

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD an editorial entitled "Taking Soundings," dealing with a study of South Dakota's post-war expenditures and employment, published in the New York Sun of November 8, 1944, which appears in the Appendix.]

#### MARGARINE TAX—EDITORIAL FROM THE WASHINGTON POST

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Margarine Tax," from the Washington Post of December 5, 1944, which appears in the Appendix.]

#### RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The CHIEF CLERK. On page 22, beginning with line 1, it is proposed to insert the following:

Beaver and Mahoning Rivers, Pa. and Ohio; from the Ohio River to Struthers in accordance with the recommendations of the Chief of Engineers for this section of waterway, in the report submitted in House Document No. 178, Seventy-sixth Congress: *Provided*, That compliance with the conditions of local cooperation shall be limited to those features that are usable in this section of the waterway.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Without objection—

Mr. OVERTON. I should like to present my views on the amendment.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. OVERTON. Mr. President, it would be personally very gratifying to me if river and harbor and flood-control bills could be reported to the Senate without any controversial projects carried in them. Whenever there is a controversial project it delays action and to some extent endangers the authorization of projects which are unquestionably meritorious, and concerning which there is no controversy at all—230 projects are in this bill, only 2 of which are opposed. If there were any way to avoid a discussion of such controversial projects before the Senate, I should certainly be very glad to avail myself of the opportunity to avoid such a discussion.

However, there is no way to do this. Such projects are laid before the committee, and the committee must take them into consideration and act as it deems best. If the committee should fail to report a project favorably it would not avoid the controversy, because the proponents of the project would offer an amendment to the bill, and so the controversy would be waged on the floor.

We spent 2 days in the Senate discussing the Tennessee-Tombigbee project. The Senate resolved against it. We have now before us another controversial project, the Beaver-Mahoning project. Personally I had no interest in the Tennessee-Tombigbee project, and I have none in the Beaver-Mahoning, and whatever the Senate determines shall be done, whether the project shall be authorized or whether it shall be disapproved, is agreeable to me. I make that statement because a number of Senators have asked me with respect to certain projects in the bill, and I have stated that I desire them to form their own opinion as to the merits.

The proposed Beaver-Mahoning project is 35 miles in length. It runs from the Ohio River at the mouth of Beaver River near Rochester, Pa., up to Struthers, in Ohio. Struthers is in the immediate vicinity of and adjacent to Youngstown, Ohio. Youngstown is one of the great steel-production centers of the United States. It produces one-tenth of the steel that is produced in the United States. This project was authorized in 1941. There was an unqualified authorization of it in a House bill. When in 1941 the House bill came over to the Senate there was language inserted under a Senate amendment—

Mr. BURTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. OVERTON. I yield.

Mr. BURTON. The Senator from Louisiana referred to 1941. I think the Senator will recall it was 1935 when that action was taken; 1941 was a subsequent occasion when the bill did not actually get through the Congress. The action was taken in 1935.

Mr. OVERTON. That is correct, Mr. President.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. AIKEN. I understood the Chair to say that the amendment under discussion was agreed to.

The PRESIDING OFFICER. The Chair said "without objection," but there was objection, so the amendment was not agreed to.

Mr. AIKEN. There was objection?

Mr. OVERTON. Yes; I objected.

Mr. AIKEN. I thank the Chair for the explanation, and I thank the Senator from Louisiana for objecting.

Mr. OVERTON. I stated the amendment was controversial. I think the Senate is entitled to debate the amendment.

Mr. AIKEN. I think the Senate is entitled to a complete explanation of the project.

Mr. OVERTON. Mr. President, I stand corrected as to the date of the prior legislation. However that may be, there is in my opinion some doubt as to whether the project stands completely authorized today. That phase of the matter will be discussed by the Senators from Ohio who are proponents of the project, and the Senators from Pennsylvania who oppose authorization of the project. However that may be, the project is here now upon the recommendation of the committee that it be authorized in the language recommended by the Senate Committee on Commerce.

The story back of this project is, I think, rather interesting.

Mr. GUFFEY. Mr. President—

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Louisiana yield to the Senator from Pennsylvania?

Mr. OVERTON. I yield.

Mr. GUFFEY. Did the project receive the unanimous recommendation of the committee, or was a vote taken on it in committee?

Mr. OVERTON. I do not know whether it was unanimous or not. I think there were some votes against it.

Mr. GUFFEY. Was a record of the vote kept in the committee?

Mr. OVERTON. I do not know whether a record was kept.

Mr. GUFFEY. I think the Senate should know that.

Mr. OVERTON. I do not have the factual information to give. I simply know that at least a majority of the committee voted for it, and therefore the committee has recommended the authorization of the project.

Steel production was started in Youngstown, Ohio, about the year 1832. Steel plants were located there because there was plenty of coal available at that

time, and I think for the further reason that there then existed a series and system of channel improvements which extended from the Ohio River by various and devious routes to Lake Erie. Youngstown was on that canal system, and therefore had the advantage of it. As time went on, however, the coal became almost exhausted, and there is very little coal available now in that neighborhood for use by the Youngstown plants, and coal used in connection with the plants must be transported from distant areas of mining.

The canal system which was in use at the time of the establishment of the steel plants in Youngstown has been abandoned, and there is now no canal system in existence. Youngstown is an inland town with no river connection. It lies only 35 miles from the Ohio River, but there is no water connection except through the Mahoning and the Beaver Rivers, neither of which is navigable. The purpose of this project is to make those two streams navigable a distance of 35 miles up to the Youngstown district.

Back before the War between the States, and while the canal system was in operation and Youngstown was favorably located on the canal system, the railroads came. The railroads transported coal and other raw material necessary for the manufacture of pig iron and steel at fairly reasonable rates. The rates which applied to Youngstown and Pittsburgh were the same or practically the same. The railroads then absorbed the canal system. They absorbed it in this way. Either by way of acquisition or in some other manner they built their tracks along the canal routes and, as I understand, sometimes laid their tracks right along the beds of the canals. These canals, either on account of natural accretion or because they were filled up by the railroads, are now no longer in existence.

The equality of rates, or the approximate equality of rates that obtained as between Pittsburgh and Youngstown on raw products being shipped into both steel-producing cities continued until about the outbreak of World War No. 1, and then, under supporting rulings of the Interstate Commerce Commission, there arose various discrepancies in the rail rates between Pittsburgh and Youngstown in favor of Pittsburgh.

In the meantime the Congress of the United States, at considerable expense to the United States Government, directed the improvement of the Monongahela and the Allegheny Rivers so as to admit of easy transportation of coal and other freight down these streams into the Pittsburgh district. The result has been that Youngstown pays six or eight times the freight on the delivery of coal into Youngstown that Pittsburgh pays on delivery of coal into Pittsburgh, and it comes about in this way. Coal is transported by barge down the Allegheny and Monongahela and into the Ohio River, and when it gets opposite Youngstown, at the mouth of Beaver Creek, it must be unloaded from the barges, placed on the railroads, and transported into Youngstown by rail. The ex-river rate on coal for this short distance of 35 miles

is 90 cents a ton, plus  $5\frac{1}{2}$  cents unloading charge for unloading it from the barge to the railroad, making a charge of  $95\frac{1}{2}$  cents which must be paid by Youngstown in order to get the coal to supply its steel plants.

On the other hand, Pittsburgh gets its coal down the river, and it is my understanding that the rate is only about 3 mills per ton-mile. Therefore it gets its coal a great deal cheaper than does Youngstown. So this is largely a fight between the Pittsburgh steel interests and the Youngstown steel interests.

Youngstown was confronted with a serious situation. Its steel interests felt that unless something was done it would have to abandon the manufacture of steel in the Youngstown district. It applied to the Interstate Commerce Commission for a reduction in rates. That application was denied. The rate for that short distance is considerably greater than the average rate for the transportation of coal by rail in the United States. The Senator from Ohio [Mr. BURTON] will give the exact figures. I have them before me. However, it is sufficient for my purposes to show that the rate from the Ohio River by rail to Youngstown is several times greater than the average rate for the transportation of coal by class I railroads throughout the United States.

As I have stated, the Interstate Commerce Commission denied that application for a reduction of railroad rates. The President of the United States, Mr. Franklin D. Roosevelt, took cognizance of this situation at one time and requested the Interstate Commerce Commission to make a study of the whole situation to see what, if any, relief could be given to Youngstown as against the railway freight rates. The Interstate Commerce Commission replied that there could be no reduction in rates. So Youngstown said to the Congress of the United States, "Give us water transportation. If we get water transportation, we shall be on an equality with Pittsburgh, and shall be able to compete with Pittsburgh. If we do not get it, we shall have to abandon the mammoth production of steel at Youngstown."

The committee did not view this question from the standpoint of local interest. It did not approach it from the standpoint of Pittsburgh or from the standpoint of Youngstown, as relates to the controversy which existed between those two centers of steel production. The committee felt that steel was of general use and consumption throughout the United States. It was not a question of building up Youngstown against Pittsburgh, or destroying Youngstown for the benefit of Pittsburgh. It was a question of facilitating the cheap production of steel in order that steel might be sold more cheaply to the people of the United States.

The evidence convinced the Senate Committee on Commerce that if this channel improvement were constructed Youngstown would have the benefit of water transportation on its in-bound and out-bound tonnage, and steel could be sold and would be sold to the general con-

suming public throughout the United States at reduced prices.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. If that policy is established, where will we stop? For example, whenever a city has the advantage of water transportation, should it be the policy of the Government to provide the advantage of water transportation for other cities which are conducting a like business, even if it becomes necessary to dig canals to the other cities? I am wondering where we would stop. Does the Senator think it ought to be done everywhere?

Mr. OVERTON. No; not everywhere. There must be economic justification; there must be a saving; and there must be a public interest involved. That is what we have here. Youngstown is a great steel-producing center, producing one-tenth of the steel produced in the United States. It is only 35 miles from the Ohio River, a part of our great inland waterway system. Here is a connecting stream which is not navigable. Shall it not be made navigable in order that raw material may go into this great steel-producing area and its out-bound products may be distributed, water-borne, along the Ohio and Mississippi River system in order that the public may have cheaper steel? That is the question. I believe that when we have a combination like that, and the engineers say that the project is economically sound, feasible, and practicable, and when, in addition to helping one particular locality, it would help all the people of the United States, we ought not to stop, as the Senator suggests.

That question involves comment on the value of inland waterway transportation throughout the United States. I believe that it is of tremendous value. I have already had occasion to comment briefly on it in the presentation of the river and harbor bill and the flood-control bill. Inland waterway transportation has grown tremendously. If it had not been for inland water transportation during the war in which we are now engaged, the United States would never have been able to carry out the great program which it has carried out. Steel was very necessary, and is today very necessary in the war effort. If we can produce steel more cheaply, and get the steel at lower prices to the consuming public and to the plants which use it, I think we ought to do it.

I wish to refer to certain testimony with reference to the difference in rates. According to the testimony, and according to Bureau of Railway Economics Statistical Summary No. 27, the average revenue per car-mile in 1942 for moving one loaded car 1 mile in the transportation of ex-river coal to Youngstown was \$1.40, while freight revenue per loaded freight-car-mile on all class I railroads in the United States was only 28 cents. Rephrasing it, by another method of calculation it appears that in 1939, which is the latest year for which statistics are available on the cost of coal transportation, the average railroad rate for coal transportation was 7.8 mills per



ton-mile, as against the Youngstown ex-river rate; that is, from the Ohio River to Youngstown, of 22 mills per ton-mile—an average rate of 7.8 as against a rate of 22 mills per ton-mile into Youngstown.

In 1939, according to the Army engineers, the annual savings in freight charges, if the Beaver-Mahoning project were authorized and executed, on 6,000,000 tons of assumed immediately prospective commerce, would aggregate \$3,120,400. Since 1931 there has been an increase in the aggregate in-bound and out-bound prospective water-borne commerce. In 1941, before we entered the war, it was estimated at six and one-half million tons. Hence, the savings to be realized from the construction of the Beaver-Mahoning project are well in excess of the \$3,000,000 per annum originally reported by the Chief of Army Engineers.

Mr. President, that briefly states the situation. The committee has approved the project because it thinks it is in the national interest to have cheaper steel reach the consumers, and to give this great producing area an opportunity, by the construction of this navigation channel, to obtain its in-bound coal and other raw materials at much cheaper rates, and also to send its out-bound products at cheaper rates to the consuming public. The project is a matter of national interest, not only during the present war effort but at all times. For that reason the Committee on Commerce has recommended its construction.

I repeat what I said at the beginning, namely, that personally this project is a matter—I will not say of utter indifference, but it is one for which I have no personal predilection. It is my duty to lay the project before the Senate. If the Senate deems it meritorious and thinks it should be authorized, as the Commerce Committee thought, I should be happy to have it authorized. On the other hand, if my colleagues think the project is one which should not be authorized, then I shall not be disappointed.

Mr. WILEY. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. WILEY. Let me inquire what is the reason why the Interstate Commerce Commission would not grant a reduction in the rail rates there.

Mr. OVERTON. I have not read through its report or its decision. I do not know why it did not do so. All I know is that it did not. Perhaps one of the Senators from Ohio can answer the question.

Mr. DAVIS. Mr. President, I should like to ask the Senator whether any evidence was presented to the committee to show that the Interstate Commerce Commission is now giving consideration to the freight rates by rail from the mouth of the Beaver River to Youngstown, Ohio.

Mr. OVERTON. I think there was one statement about that matter.

Mr. DAVIS. Does not the Interstate Commerce Commission now have that matter under consideration?

Mr. OVERTON. I do not know that it now has it under consideration, but I know it has twice had it under consideration, and has done nothing about it.

Mr. DAVIS. My understanding is that it now has the matter under consideration. I thought probably some information along that line had been conveyed to the committee.

Mr. OVERTON. Not that I recall. I think there was a suggestion or statement of some kind that either the Interstate Commerce Commission was going to take it up again or had taken it up again. But I think there would be very little hope of a favorable result, inasmuch as the Interstate Commerce Commission has twice denied relief.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. McKELLAR. During the war is the price of steel fixed by the Government? The Government now fixes the prices of most commodities. However, the price of steel was not fixed, was it?

Mr. OVERTON. I do not think it was.

Mr. McKELLAR. I do not think so either. I can understand why the project might be of tremendous interest to the steel companies in one location, but I do not know whether construction of the project would bring about a reduction in the price of steel to the entire country, as the Senator has suggested. I am simply asking for information, because I do not know what the facts are.

Mr. OVERTON. If the price of steel is an entirely wide-open matter, certainly construction of the project should result in a reduction in the price of steel, because if the steel mills can make steel more cheaply, they could sell it more cheaply. Of course, the Youngstown mills might simply pocket all the profits, and not sell the steel more cheaply to the public. We might be running some risk in that way.

Mr. McKELLAR. Of course, in peacetimes there would not be any fixing of prices.

Mr. OVERTON. No; there would not be any fixing of prices at all then.

Mr. McKELLAR. But it is peculiar that prices are not fixed on a product which is so important to us in the war.

Mr. OVERTON. I do not think they have been, although the Senator from Tennessee is just as able to answer that question as I am.

Mr. McKELLAR. I was merely wondering about it.

Mr. OVERTON. Nothing about that was said in the hearings.

Mr. DAVIS. Mr. President, will the Senator yield further?

Mr. OVERTON. I yield.

Mr. DAVIS. Was any information given to the committee that Youngstown itself had lower prices on other materials which go into the manufacture of steel, namely, iron ore, and had lower freight rates on one or two or three other items? I am told that is so. I do not know what they are, and I should like to have the chairman of the subcommittee give me his opinion regarding that matter.

Mr. OVERTON. Yes, Mr. President; some statements to that effect were inserted in the record. There was also some statement to the effect that the out-bound rail rates favor Youngstown, as against Pittsburgh.

Mr. DAVIS. That is correct.

Mr. OVERTON. However, that was answered by the Youngstown people, who said that on westbound freight rates they did have an advantage over Pittsburgh, because the haul was shorter, but that on eastbound tonnage the freight rates were in favor of Pittsburgh, for the same reason.

Mr. DAVIS. The able Senator has just pointed out what might be regarded as a fight, although I do not think it actually is, between steel companies in Youngstown and steel companies in Pittsburgh. However, it may be that there is not really a fight, because a number of steel companies—two to my knowledge, and the United States Steel Corporation is one of them—have large plants of their own in Pittsburgh and they are great beneficiaries in the Pittsburgh district by reason of the water transportation.

So, I think construction of the proposed Beaver-Mahoning waterway would help some of the steel mills in Pittsburgh. But I do not think there is a fight between the steel interests of Pittsburgh and the steel interests of Youngstown.

Mr. OVERTON. By and large that was the impression created in the minds of the members of the committee, because everything was going along smoothly and the engineers were in favor of the project and everything connected with it, and so were the people of Youngstown, but then there came before the committee representatives of the Pittsburgh area, and they brought up the matter of the steel rivalry which existed.

Mr. DAVIS. There is always competitive rivalry between the steel interests, just as in the case of every other sort of interest.

Mr. OVERTON. At any rate, I think the main industry which would be affected in both areas would be the steel industry. Steel is the principal commodity which would be affected in Pittsburgh, and it is the principal commodity which would be affected in Youngstown.

Mr. DAVIS. I do not understand that construction of the project would affect the price of steel at all, even though, as the Senator has pointed out, there is a differential on the coal freight rate, because that is a greater benefit to the people of Youngstown, inasmuch as it results in their having a lower rate on the products which are used in the manufacture of steel. So I think that sort of thing rather balances itself.

Mr. OVERTON. I understand the Senator's viewpoint.

Mr. BURTON. Mr. President, speaking on behalf of this amendment, the Beaver-Mahoning Canal project, I wish to express my appreciation of the attention which has been given to it by the chairman of the subcommittee, the distinguished senior Senator from Louisiana [Mr. OVERTON], who has just explained the fundamental issues involved in it and the reasons why it was approved by the Committee on Commerce. Likewise, I wish to express my appreciation of the attention given to this project by the senior Senator from North Carolina [Mr. BAILEY], the chairman of the Committee on Commerce.

There has been placed on the desks of Senators a publication issued by The Youngstown Vindicator. It explains Youngstown's case for the Beaver-Mahoning waterway. I wish to call particular attention to the map which appears at the beginning of the publication. The map shows more clearly than I could state in words that the project is merely an amplification of access to the headwaters of the Ohio River.

The Ohio River begins at Pittsburgh. It is formed by the confluence of the Allegheny River and the Monongahela River. Both of those rivers, therefore, improved by the Federal Government as they have been, are in the nature of dead-end canals reaching beyond Pittsburgh to their respective sources, one to the north and the other to the south.

The Beaver River is only 25 miles down the Ohio from Pittsburgh. Therefore, the creation of a canal up the Beaver River and the Mahoning River to Struthers, which is just below Youngstown, would give us three water routes of access to the headwaters of the Ohio River.

The proposal which I am submitting is not a new one. It has been repeatedly approved. What I am presenting is an amendment to retain in the construction program of the United States a project which was approved in 1935.

The amendment seeks to reaffirm, with minor modifications which have been approved by the Chief of Engineers, this repeatedly approved project to reach the headwaters of the Ohio River by the canalization of the Beaver and Mahoning Rivers for a distance of 35 miles.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. McKELLAR. I am seeking information. It seems to me that there was a canal once extending between the river to which the Senator has referred and Youngstown. It was finally abandoned. The statement has been made that the railroads took charge of the canal, or were using it. If the canal to which the Senator refers would be an important one—I am merely asking for information—why was the old canal abandoned? Why would it not have been proper to have retained the old canal and continued it in operation?

Mr. BURTON. The Senator from Tennessee has raised a historically interesting point which takes us back to the days of State canals. The canal to which the Senator from Tennessee has referred was the result of the early canalization of the Beaver River. Such a canal was operated from about 1834 to 1875. There were canals on many neighboring streams. When the railroads came in they provided a better system of transportation than could be afforded by the canal under the conditions then existing, and the improvement in the natural water course which was made at that time was only slight.

Since then many things have taken place. The railroads supplied facilities in the area affected by the canal, and originally their rates were on what is known as an equalized basis, so that every shipper within a wide area received the

benefits of an equal rate. More recently, however, instead of maintaining the equalized rate the railroads have differentiated between various points on the railroads, and instead of adjusting the rates on the basis of the cost involved the rates were made what the traffic would bear. This has brought about extraordinary discrimination on the part of the railroads. Therefore the matter is now before Congress, and because of the extraordinarily high railroad rates charged to shippers today, the canalization of the river would result in providing much cheaper transportation. The old canal was one of the old State canals abandoned when the railroads came into the area in about 1875.

Mr. McKELLAR. I thank the Senator.

Mr. BURTON. Let us refer to the history of Congress itself in connection with this particular measure. I believe that its history will be a complete justification of the project.

The project was approved by both Houses of Congress in 1935. The total estimated cost was then \$47,000,000; \$37,000,000 from the Federal Government and \$10,000,000 from local interests. However, when the project passed the Senate it was made subject to approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors.

In 1939 that approval was given by the Board of Engineers with the further recommendation that the short canal to Struthers, just below Youngstown, be completed separately as the first step, and that further consideration be then given to the situation before completing the remainder of the much larger project, which would be over 100 miles long and would cost more than \$200,000,000.

The recommendation for the short canal reduced the total estimate of the cost of the project from \$47,000,000 to \$42,400,000, but increased the Federal share from \$37,000,000 to \$38,500,000. That is one reason for bringing the matter before the Senate at this time, namely, a change in the estimate of a million and a half dollars, which would be the only change involved in the Federal expenditure. The local contribution was reduced from \$10,000,000 to \$3,900,000. The total cost would be \$42,400,000 instead of \$47,000,000, and the Federal cost would be \$38,500,000 instead of \$37,000,000, or an increase of \$1,500,000. It is to cover this item of \$1,500,000, and the modification of some of the engineering features of the original plans, that the action of the Senate is requested as suggested by the Board of Engineers.

The action which we now ask the Senate to take would not take the project to Lake Erie. It would confine it clearly to the 35-mile project. It would be more, rather than less, conservative than the action already taken by Congress in 1935. It would be directly in line with the recommendation of the Chief of Engineers in 1935, and again in 1939. It would involve additional Federal expenditures of only about \$1,500,000 for the improved project, above that already authorized.

If the Senate wishes to sustain the repeated previous approvals of the project by various agencies it will not fail

to agree to the proposed amendment. I may well say "repeated previous approvals." The Board of Engineers examined the proposal for constructing the short canal, and approved it in 1934. The Chief of Engineers approved it in 1934. The House Committee on Rivers and Harbors approved it in 1934. The House of Representatives passed it in exactly that form in 1934. The Senate Committee on Commerce approved it in that form in 1935. The Senate approved it in 1935 with the request which I have mentioned, namely, for further report on its extension as a part of the larger project to Lake Erie. On that basis the Board of Engineers approved the expanded provision in 1939 with the recommendation that the first step to Struthers, be taken separately from the rest. The Chief of Engineers approved the project in 1939. It came up for consideration when the river and harbor bill was introduced in the House in 1941, and in that year the House Committee on Rivers and Harbors, after extended hearings, approved the project. Since then a new Chief of Engineers was appointed, and in the testimony taken before the Senate Committee on Commerce the new Chief of Engineers, through the testimony of his representative, approved the project in 1944. In 1944, this year, the Senate Committee on Commerce also approved the particular amendment now before us.

Therefore, Mr. President, this measure has been twice favorably passed upon by the Board of Engineers, three times by the Chief of Engineers, twice by the Committee on Rivers and Harbors of the House of Representatives, and twice by the Senate Committee on Commerce. It was passed once by the House of Representatives, once by the Senate, and is before us at this time for action as a part of the general post-war program.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. DAVIS. This particular amendment is a Senate committee amendment, is it not?

Mr. BURTON. It is.

Mr. DAVIS. And it has not been passed upon by the House. It was not even submitted to the House, was it?

Mr. BURTON. It was not submitted to the House in the pending bill, but it was submitted to the House in 1941.

Mr. DAVIS. Yes.

Mr. BURTON. I am glad the Senator has brought out that fact. After the authorization of the project in 1935, subject to approval of the long canal through to Lake Erie, it was again recommended in 1939 by the Chief of Engineers.

The first river and harbor bill to come up after that was that of 1941. The proposal was put in the House bill in 1941. Extended hearings were held. It was approved by the House Committee on Rivers and Harbors in 1941. That bill never reached the floor of the House, and it died with the Congress.

In 1944 there again came up the proposal for a river and harbor bill. The question arose, Was it likely that this bill could pass at this session, since the bill in 1941 failed to get any action in the



House? The matter was discussed by the proponents of this measure, and it was decided, in order not to compel the House to go over again the whole ground it went over in 1941 when it approved this express measure, that the House would act on a bill practically without any controversial matters in it, and the bill went through the House in 1944 in that form.

When it came to the Senate there appeared to be a reasonable chance for it as a post-war program.

Mr. DAVIS. Mr. President, may I interrupt the Senator at that point?

Mr. BURTON. I yield.

Mr. DAVIS. As I recall, the Pennsylvania Republican delegation, I believe, practically unanimously adopted a resolution opposing this particular amendment which has been reported to the Senate by the Commerce Committee.

Mr. BURTON. There was no vote in the House in 1941.

Mr. DAVIS. There was no vote in the House, but I say that in a caucus—and I shall present the matter later—as I understand, every member of the Pennsylvania delegation disapproved of this item.

Mr. BURTON. As the matter stands on the record, it was approved by the House Committee on Rivers and Harbors, but the bill, as a war measure, died in the Congress at that time. It was not considered likely that many of these projects could be completed during the war, and the bill was dropped.

Mr. DAVIS. There is no question about that, but I am saying now that practically all the members of the Pennsylvania delegation and quite a number from Ohio disapproved of the project.

Mr. BURTON. I am not arguing what the Senator may know about a caucus; I have no information about that; but, whatever may be the case, the bill was proposed as a war measure at war prices, but it was never thought to have enough chance of passage as a war measure to bring it to a vote in the House.

Mr. DAVIS. I do not quite understand why the House did not submit it themselves.

Mr. BURTON. This entire bill comes to the Senate as a post-war measure, and, as I explained to the Senator, at the time it was before the House practically no controversial measures were put in the bill. No hearings have been held on these matters, from the time the bill went over in 1941 until it came to the Senate in 1944.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BURTON. I yield to the Senator from Louisiana.

Mr. OVERTON. I do not know whether I am correct about it, but it is my understanding that in 1944 the House committee had determined on the policy not to insert in the bill any project which was estimated to cost in excess of \$15,000,000. I think that is correct, and it will be found that the projects which were recommended were, for the reasons stated, war measures. They did not want any controversial items and I think no such items were recommended by the House committee the estimated cost of which exceeded \$15,000,000. I may be

wrong about that but I think I am correct.

Mr. BURTON. The amendment comes before the Senate as an original measure by action of the Senate Committee on Commerce.

I referred to the 1941 action merely to develop the whole story. Whenever the project has come to a vote it has been favorably voted upon either in committee or in Congress.

Now, to approach the proposition itself. I think it is necessary to give a brief description of it and then to trace its legislative history, its economic history, and its justification. The description, I think, has been probably sufficiently covered by the Senator from Louisiana and in the brief statement I have made; but in giving its legislative history it is important that we visualize what has been done with respect to this item and what has been said in connection with it. It appears as an amendment to House bill 3961, which is now pending before the Senate. The amendment is found on page 22. I read it for the reason that it shows that it is merely an amplification of a formerly approved project, in accordance with the recommendation of the Chief of Engineers. On page 22, in lines 1 to 8, the bill provides:

Beaver and Mahoning Rivers, Pa. and Ohio; from the Ohio River to Struthers in accordance with the recommendations of the Chief of Engineers for this section of waterway, in the report submitted in House Document No. 178, Seventy-sixth Congress: *Provided*, That compliance with the conditions of local cooperation shall be limited to those features that are usable in this section of the waterway.

That makes the short canal clearly a partial step in the longer program. It is to stand on its own feet and on its own basis and to stop there until further examination of its economic value before expansion of it can be made. This is as recommended by the Chief of Engineers.

The next preceding reference to the matter in its legislative history occurs in the report of the Senate Committee on Commerce. In that report the amendment is listed on page 3, item 12. I shall read it for the reason that it emphasizes in an official report to the Senate that the project involves a charge of only \$1,500,000 so far as Federal expenditure goes. Item 12 reads as follows:

12. Beaver and Mahoning Rivers, Pa. and Ohio: Clarifies previous legislation to enable the deepening of the Beaver-Mahoning waterway from the vicinity of Youngstown, Ohio, to the Ohio River, at Rochester, Pa., at an estimated increased cost of \$1,500,000.

In the committee report at page 100 there appears probably the best short and complete statement of the project itself. I read this also for the reason that it is vitally important that it appear in this manner in the RECORD, because it tells the story concretely and in good legislative form. At page 100 of the committee report this statement appears:

#### BEAVER-MAHONING RIVERS

(H. Doc. 178, 76th Cong.)

The Mahoning River has its origin in northeastern Ohio. It flows southeastwardly to a point near New Castle, Pa., where it is joined by the Shenango to form the Beaver River.

The Beaver River flows southwardly 21 miles to join the Ohio River at Rochester, Pa. The Beaver River and Mahoning River are not now improved by the United States. Youngstown, the center of an important steel-producing area, lies on the Mahoning River about 37 miles above Rochester, Pa. It does not have access to water transportation.

House Document No. 277, Seventy-third Congress, recommends the improvement of the Beaver-Mahoning Rivers as far as Struthers, Ohio (immediately below Youngstown), to provide a channel 12 feet deep and 250 feet wide in the Beaver and 12 feet deep and 200 feet wide in the Mahoning at an estimated Federal cost of \$37,000,000 and annual maintenance at \$630,000. The report shows that the annual benefits to be derived from the project are in excess of its annual cost.

The project was authorized in the River and Harbor Act approved August 30, 1935, by the following item:

"Beaver and Mahoning Rivers, Pennsylvania and Ohio; of the width and depth provided in House Document No. 277, Seventy-third Congress, as a Federal project and to continue to Lake Erie at or near Ash-tabula, Ohio, subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors."

In House Document No. 178, Seventy-sixth Congress, submitted after the above-quoted River and Harbor Act, the Board of Engineers for Rivers and Harbors and the Chief of Engineers recommended the construction of the Lake Erie and Ohio River Canal. The recommendation states specifically that the construction should be step by step, the first step being the construction of the Beaver-Mahoning Canal as far as Struthers. The Chief of Engineers in his report brings out that the improvement of the Beaver and Mahoning Rivers as far as Struthers, the first step, is justified as an independent improvement and as such would become an important arm of the Ohio River waterway system.

The two reports, for the section comprising the Beaver and Mahoning waterways, although basically the same, differ in the following important aspects:

The first report (H. Doc. No. 277, 73d Cong.), now authorized by the River and Harbor Act approved August 30, 1935, recommends a waterway 12 by 250 feet in the Beaver; a waterway 12 by 200 feet in the Mahoning; twin locks 56 by 360 feet; reconstruction, where necessary, of railroad bridges to be at the expense of the railroads; construction of the Berlin Reservoir for water supply; all at a total estimated first cost to the Government of \$37,000,000.

The second report (H. Doc. 178, 76th Cong.) recommends a waterway 12 by 250 feet for both the Beaver and Mahoning Rivers; single locks 56 by 720 feet; necessary railroad bridges to be constructed by the United States; no reservoirs (Berlin Reservoir and Mosquito Reservoir are now constructed), all at an estimated Federal cost of \$38,500,000.

Testimony before the committee has demonstrated that the annual benefits are considerably in excess of the annual costs and that the project, therefore, falls in the required category of favorable economic justification. The conditions of local cooperation adequately safeguard the interests of the United States and local interests. The additional estimated cost over the previously authorized cost is \$1,500,000.

Mr. President, referring to the history of the project, I would like to mention five outstanding high spots.

First. The investigation of the short canal, authorized in 1930, was completed in 1934, with a favorable report. This was published in House Document No. 277, Seventy-third Congress.

Second. That report resulted in a bill which passed the House as it was in 1924, then passed in the Senate, in 1935, with a proviso relating to an extension to Lake Erie.

Third. The examination of the proposal for the extension to Lake Erie was completed in 1939, with a favorable report to Congress. This was published in House Document No. 178, Seventy-sixth Congress. This recommended the through canal project with several steps in the construction, and certain minor changes in the plans for the original 35-mile lower section.

Fourth. In 1941 the project was approved by the House committee.

Fifth. In 1944 the project was approved by the Senate committee.

Taking this historical development in somewhat more detail in order that the record may show clearly the basis for all this, I refer first to what the Senator from Tennessee referred to recently, the fact that this area was long ago a canal area. There were old canals in existence on both the Beaver and Mahoning Rivers.

In 1834 a canal was built by Pennsylvania. It was in operation from Rochester to New Castle, connecting with the towns of Rochester, Brighton, Beaver Falls, New Castle, and Youngstown, which were canal towns. It remained in operation about 40 years.

Then we come to another step in the historical development of this project, which must be understood in order fully to understand its relation to the Lake Erie program. In 1919 the River and Harbor Act of March 2 contained an authorization for the study of different canal routes between the Ohio River and the Great Lakes system. This act authorized a survey of "the Miami and Erie Canal, Ohio, including a branch canal connecting the Miami and Erie Canal with Lake Michigan, and such other routes between Lake Erie and the Ohio River as may be considered practicable by the Chief of Engineers, with a view to securing a channel 12 feet in depth with suitable widths, or such other dimensions as may be considered practicable, including any recommendation for co-operation on the part of local interests."

This has been quoted from page 1 of House Document 178, of the Sixty-sixth Congress.

Following that authorization for a general examination of Lake Erie and Ohio Canal made in 1919, came the report of the engineers of February 16, 1922. This was published in House Document 188 of the Sixty-seventh Congress. That report recommended surveys of three routes. First, Pittsburgh to Ashtabula via the Beaver and Mahoning Rivers. I mention that as the foundation for the Beaver and Mahoning program now before us.

Second, a route from Portsmouth to Sandusky, via the Scioto and Sandusky Rivers.

Third, a route from Cincinnati to Toledo, via the Miami, St. Marys, Anglaize, and Maumee Rivers, and for a branch canal from Defiance connecting with Lake Michigan.

Following that report of February 16, 1922, came the River and Harbor Act of September 22, 1922. This marked still another stage in the plan for a canal from the Ohio River to the Great Lakes. It authorized a preliminary examination and report on a waterway from a point at or near Erie Harbor, Pa., by way of French Creek, Pa., to the Allegheny River and the Ohio River. Survey reports of these first three routes came in on March 19, 1925. The Board of Engineers later recommended a new survey of the three Ohio routes and also a survey of the additional Pennsylvania route, making four routes. This recommendation was dated April 25, 1933.

The next step in the history came when an application was made for an additional railroad on this route. This occurred in 1927. The application of the Pittsburgh, Lisbon & Western Railroad was made to put in a new railroad line, and to lower the rates between Youngstown and the river. This application was denied by the Interstate Commerce Commission in 1928, and a further decision in 1929. The discussion of this may be found in the 1941 hearings before the House Committee on Rivers and Harbors, at page 114. I may say that this litigation with the railroads in several forms consumed about 7 years, with never any relief resulting from that approach to the problem.

Mr. President, the next step was the River and Harbor Act of July 3, 1930. This act in 1930 authorized a preliminary examination and survey of the Beaver River, Pa.; Shenango River, Pa.; and the Mahoning River in Pennsylvania and Ohio. The survey recommended covered all three rivers, extending up the Beaver to its junction with the Shenango and the Mahoning, and up to Greenville, above Sharon, Pa., on the Shenango, and up to Warren, Ohio, on the Mahoning.

When the final report came in, it cut out the canal to Shenango, it cut out the Mahoning Canal to Struthers, below Youngstown, but it expressly approved as the foundation for the present program the Beaver-Mahoning Canal from the Ohio River up to Struthers. This revised project therefore was based upon the River and Harbor Act of July 3, 1930.

That brings us to the official report of March 3, 1934. This was published as House Document 277 of the Seventy-third Congress. Maj. Gen. E. M. Markham, then Chief of Engineers, approved the report of the Board of Engineers, submitted on January 30, 1934, by Col. W. J. Barden, the senior member of it.

Mr. President, the report of 1934 is vitally important today. I therefore read from the report of the Board of Engineers for Rivers and Harbors, at page 5, the syllabus of the report. This syllabus bears on the situation today. It reads as follows:

The Board finds that the Youngstown area is under a material handicap as compared with competitors in the matter of higher freight rates and that some relief is necessary if the district is to be allowed to prosper and its future welfare is to be secured. While it appears that substantial relief could be secured through lower ex-river rates, which would still be at a ton-mile cost greater

than that of the average in this region, local interests have been unable to secure such reduction in rates. Under these circumstances the Board recommends improvement by canalization of the Beaver and Mahoning Rivers, Pa. and Ohio, from the mouth of the Beaver to Struthers, Ohio, so as to provide a channel 12 feet deep and 250 feet wide in the Beaver and 200 feet wide in the Mahoning, increased to 300 feet on bends, with twin locks 56 by 360 feet, in general accordance with plans submitted by the district engineer, except for the omission of one reservoir and of the lower lock and dam in the Beaver River and the provision of 27 feet instead of 20 feet vertical bridge clearances, all at an estimated cost of \$37,000,000, with \$640,000 annually for operation and maintenance, subject to certain conditions of local cooperation. The Board further recommends that the exact location and details of designs of all structures be left to the decision of the Chief of Engineers.

That, Mr. President, is the result of the 4 years' study which is the foundation of the amendment presented today in a still further modified form based on further study.

As the next step in the history of this project I call attention to the report of the Chief of Engineers himself, also included in House Document No. 277, Gen. E. M. Markham, who says at page 4 of the report the following:

After due consideration of these reports, I concur in the recommendations of the Board. The proposed improvement is essentially a canal extending from the Ohio River into the heart of a highly developed industrial district.

The next step in this historical record of this project consists of the hearings which were held upon that report from March 19 to 23, 1934. Those were extended hearings before the Committee on Rivers and Harbors of the House of Representatives.

The next step came when in 1935 the House of Representatives passed House bill 6732 in the Seventy-fourth Congress. That was the first rivers and harbors bill that had come up in about 5 or 6 years.

The next step—and I call attention to these steps to show how fully this project has been considered at every point, and how the favorable action has been repeated time after time—the next step came in the hearings in the Senate Committee on Commerce from April 22 to June 4, 1935.

The next step occurred when the Senate committee made a favorable report following those hearings. This report is known as Report No. 893 of the Seventy-fourth Congress, a Senate committee report to accompany House bill 6732, and I read from that its brief statement giving its conclusions, still being directly in line with the proposals now presented. It appears at page 39, as follows:

The improvement proposed extends from the Ohio River at Rochester, Pa., up the Beaver and Mahoning Rivers to the Youngstown industrial district. In this district there is a population of 800,000. It contains 60 mills with a total annual capacity of over 30,000,000 gross tons. It is reported that the rail traffic from this district amounts to 74,750,000 tons per annum. The project adopted will provide a channel 12 feet deep from the mouth to Struthers, Ohio, to be secured by dredging and the construction



of locks and dams. The estimated cost is \$37,000,000, with maintenance estimated at \$630,000 annually.

The next step occurred when that bill, amended on the floor of the Senate, was passed by the Senate, and became the act of August 30, 1935. This act, insofar as it relates to this project, is quoted at page 17 of House Document 178 of the Seventy-sixth Congress. It is a short provision and is as follows:

Beaver and Mahoning Rivers, Pa. and Ohio; of the width and depth provided in House Document No. 277, Seventy-third Congress, as a Federal project, and to continue to Lake Erie at or near Ashtabula, Ohio, subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors.

That was in 1935. That called for an investigation of the long waterway, the through waterway, a waterway to extend from the Ohio River to Lake Erie, and the engineers reported on that on January 23, 1939. That report is known as House Document No. 178 of the Seventy-sixth Congress. I wish to point out here, because it is the latest detailed examination of the subject and official report on the subject by the Engineer Corps, that the district engineer, Lt. Col. W. E. R. Covell, the division engineer, Col. R. G. Powell, the Board of Engineers, under the chairmanship of the senior member, Brig. Gen. M. C. Tyler, and the Chief of Engineers, Maj. Gen. J. L. Schley, agreed on this report from the beginning to the end, with but minor differences, and they first of all considered whether there might be another route for later development between the Ohio River and the Lake Erie system than the one on the Beaver and the Mahoning. They all selected the Beaver and Mahoning and Ashtabula route for the through route, and they recommended the building of the canal, not only the short canal but also the through canal, with an express recommendation, however, that the through canal be built in several steps. They recommended that the first step be the short canal now before the Senate, and that a further economic survey be made after its completion, before proceeding with the rest of it.

These two projects, Mr. President, must not be confused. The through canal, which is not under consideration here, would be inclusive, however, of the short canal. But instead of being 30 miles long it would be nearer 130 miles long. Its cost to the United States, instead of being \$38,500,000, as revised now for the first section, would be \$225,910,000 for the long canal. The cost to local interests, instead of being \$3,900,000 for the short project, is estimated for the through project at \$14,156,000. The over-all cost for the long project or through canal would be \$240,066,000, as against \$42,400,000 for the short canal. The annual cost to the United States for the maintenance and operation of the through canal would be \$1,730,000, as contrasted with an annual cost of \$630,000 for the short canal. It is found by the engineers that there would be a substantial excess of benefits over cost on the long canal, as well as on the short

canal, the estimate on the long canal being about \$8,000,000 a year. This was considered amply sufficient to justify the project.

Mr. President, that approval in 1939 of the through canal, in addition to the approval of the short canal, is of particular importance in the present situation for several reasons: First, by completing the review of the Beaver-Mahoning project as a part of the greater project, this report doubly checks and reestablishes the engineering feasibility of the canal. If it is a feasible route for the through project, it is certainly navigable and feasible for the shorter project. I may point out that the Beaver-Mahoning-Ashtabula route, including the Beaver-Mahoning as the first step, is chosen over three other competing routes as being the best of the four. Second, the Beaver-Mahoning-Ashtabula route for the through canal, including the Beaver-Mahoning as the first step, is found suitable and justifiable for a still greater movement of traffic than that on the short step alone.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Ohio yield to the Senator from Missouri?

Mr. BURTON. I yield.

Mr. CLARK of Missouri. I am very much interested in what the Senator has said about the shorter route and the fact that the longer route has been approved as justifying the shorter route. As the Senator knows, I voted for this project in the Commerce Committee; but it does not seem to me that the fact that a through line would be justifiable also justifies a stub line.

Mr. BURTON. I thoroughly agree with the Senator, except from the engineering standpoint of the navigability of the short canal.

Mr. CLARK of Missouri. I am not disputing that at all; but it seems to me that the same principle which would apply to a railroad applies to this proposal, namely, that a through line might be entirely justifiable, whereas a stub line might not be justifiable.

Mr. BURTON. I agree with the Senator from Missouri that approval of the through line and the short line are quite separable; but one of the objections raised to the short canal is that it would not be sufficiently navigable to handle traffic on the short route. For that reason I think approval of the long route would certainly indicate that the short route would be navigable.

Mr. CLARK of Missouri. I am not undertaking to dispute the navigability of the short canal; but I do say that the fact that a through line might be justifiable does not necessarily justify a stub line.

Mr. BURTON. I am not attempting to base it on that argument.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. GUFFEY. As I understood, a while ago the Senator quoted Colonel Feringa on the cost of operation of the canal.

Mr. BURTON. Is the Senator referring to the through canal?

Mr. GUFFEY. The Senator quoted some figures as to the total cost locally, in connection with the through canal.

Mr. BURTON. I quoted from the engineers' report, not from Colonel Feringa.

Mr. GUFFEY. The Senator stated that the annual local cost would be \$600,000.

Mr. BURTON. Six hundred and thirty thousand dollars as estimated for the short canal.

Mr. GUFFEY. What were the figures as to the annual cost of the whole canal?

Mr. BURTON. For the long canal, the cost for maintenance and operation was estimated at \$1,730,000.

Mr. GUFFEY. The testimony shows that the cost to the Federal Government would be \$2,275,000, and that the annual local cost would be \$600,000, making a total of \$2,875,000. I do not believe those were the figures the Senator used. I know the Senator would not wish to misquote anyone.

Mr. BURTON. I do not wish to misquote anyone. I should like to refer back to the engineers' report for a moment, which may clear up the matter. I was quoting from the engineers' report when I made my statement.

Quoting from page 10 of House Document No. 178, and quoting from the report of the Chief of Engineers there published, Major General Schley, in paragraph 25, says—

Mr. GUFFEY. I have used the figures in the subcommittee report, and the Senator has used figures from the report of the full committee.

Mr. BURTON. I am taking the figures from the engineers' report, for the actual maintenance and operation of the canal, not the total costs to be balanced against the total benefits. Let me make it clear. I read:

The Board accordingly recommends construction of the waterway at a cost to the United States of about \$207,000,000 for the new work and \$1,730,000 annually for maintenance and operation, subject to certain conditions of local cooperation.

That was the report of the Chief of Engineers in 1939.

Mr. GUFFEY. What were the figures representing local cost, which the Senator used in his statement?

Mr. BURTON. The cost which I am using for Federal maintenance and operation of the short canal is \$630,000.

Also, referring again to the value of the 1939 report on the short canal, it emphasizes the fact that the Beaver-Mahoning Canal is the first step, with slight modifications, expressly approved by the Board of Engineers as an independent step; and an express recommendation is made by the Board, really for the second time, that the project stand on its own feet. The Board recommends that the short canal be completed first, and that a survey then be made to determine whether it would be advisable to continue, or to stop there.

In this connection I wish to point out that I have noted that the through canal has at various times also been supported by the Pittsburgh and Pennsylvania interests as being of possible value to that area; but when the project was cut down

to a shorter canal, opposition developed. I quote from page 23 of the pamphlet entitled "The Taxpayers' Case Against Youngstown's Beaver-Mahoning Dead-End Canal," which was received by a Member of the Senate. This is a quotation from the Pittsburgh Sun-Telegraph of July 16, 1944:

The fight for the canal has been waged before Congress for a number of years. Originally part of the Ohio-Lake Erie Canal plan, favored by Pittsburgh interests, opposition grew by leaps and bounds when it became evident that its terminus would be at Struthers, Ohio.

I cite the Pittsburgh support to the extent that it indicated the engineering feasibility of such a route, although the Pittsburgh interests objected to stopping at a shorter point.

Mr. GUFFEY. Pittsburgh was always in favor of the through canal.

Mr. BURTON. Is Pittsburgh still in favor of the through canal?

Mr. GUFFEY. I do not know.

Mr. BURTON. If it favors the through canal—

Mr. GUFFEY. There will never be a through canal if we have very many such projects as this.

Mr. BURTON. Without getting into a by-pass in this discussion, I wish to emphasize that we cannot go all the way through without going part way first, and therefore the first part must be navigable.

Finally, on this particular matter, in view of the language of the act of August 30, 1935, which approved, and still stands as approving, the Beaver-Mahoning short canal as a Federal project, to continue to Lake Erie at or near Ashtabula, Ohio, subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors, it is important to see exactly what that Board of Engineers did say, because the Board of Engineers having approved it, its action has really fitted in completely with the action of Congress already taken in 1935 expressly on the subject. I therefore turn to the action of the Board of Engineers in accordance with that express recommendation and direction of the Congress. On page 17 of House Document No. 178, which contains the report of the Board of Engineers, we find these important statements bearing on the project now before us. The Board of Engineers finds, in paragraph 11:

The first step of the work should consist of the improvement of the Beaver-Mahoning Rivers as described in House Document No. 277, Seventy-third Congress, second session, modified as proposed by the present plans, at an estimated construction cost of \$38,500,000 to the United States and \$3,900,000 to local interests. The prospective traffic and savings for this section justify its construction at the present time with one lock 56 by 720 feet at each lift, but no work should be started until local interests have furnished rights-of-way for the through canal as proposed hereafter. The extension of the waterway, in part or in full, to Lake Erie should be undertaken only if found advisable after the first section to Struthers has been opened to traffic and after a further determination of economic advisability, taking into consideration changes that result from the work already finished, and after the

Chief of Engineers has been assured that adequate terminals will be constructed by local interests.

There is a clear segregation of the first step from the rest.

In paragraph 12, the Board of Engineers stated:

Improvement of the Beaver and Mahoning Rivers was authorized in the River and Harbor Act approved August 30, 1935, as follows: "Beaver and Mahoning Rivers, Pa. and Ohio, of the width and depth provided in House Document No. 277, Seventy-third Congress, as a Federal project and to continue to Lake Erie at or near Ashtabula, Ohio, subject to the final approval of the whole project for the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors."

The Board then continued as follows:

The Board now concludes that the whole project from the Ohio River to Lake Erie, with certain modifications of the plans proposed in House Document No. 277, Seventy-third Congress, second session, is economically justified. Because of the large expenditure required for the project and in order that advantage may be taken of changes in economic conditions and of adjustments in transportation charges, the Board believes that construction should be undertaken in several steps as found advisable by the Chief of Engineers; that somewhat unusual requirements for local cooperation are justified; and that the Federal Government should pay for the reconstruction of existing railroad-company bridges spanning the Beaver and Mahoning Rivers. To carry out the work in accordance with these conditions it is necessary to secure additional authority from Congress.

Because of that statement by the Board of Engineers, we are here endeavoring to secure the additional consent of Congress to conform to the specific recommendation of the Board.

In paragraph 13 the Board continued as follows:

The Board therefore recommends step-by-step construction of the waterway extending from the Ohio River through the Beaver, Mahoning, and Grand River Valleys to Lake Erie, with minimum depth of 12 feet and generally 250 feet wide (minimum width 200 feet), at a cost to the United States of about \$207,000,000 for construction and \$1,730,000 annually for maintenance and operation, the exact alignment, location, program of construction, and details of design of all structures to be left to the decision of the Chief of Engineers; subject to the condition that before any construction on any part of the improvement is undertaken, local interests shall—

(a) Furnish free of cost to the United States title to all lands required for rights-of-way in and south of the city of Warren.

(b) Agree to furnish free of cost to the United States suitable spoil-disposal areas for initial work and for subsequent maintenance as required for the section in and south of Warren.

(c) Agree to hold and save the United States free from claims for damages in connection with existing water rights for power development and other purposes, and for other damages that may occur due to construction of the waterway.

(d) Agree to operate Milton Reservoir under the supervision of the Chief of Engineers for the primary purpose of increasing the low flow in the interest of navigation.

(e) Agree to make at their expense alterations, as required, of existing highway and steel company bridges spanning the Beaver and Mahoning Rivers, and necessary road changes in connection therewith.

(f) Agree to maintain at their expense all new public roadways, and maintain and operate all rebuilt and new bridges constructed incident to the improvement.

(g) Agree to make at their expense alterations as required in all sewer, water supply, and drainage facilities.

(h) Agree to provide at their own expense, and as required, suitable and adequate lake and canal terminals, and dredged harbor areas adjacent thereto shoreward of channel or harbor lines, in accordance with plans approved by the Chief of Engineers and the Secretary of War.

Finally, following the list of local requirements, the Board said that—

The Board further recommends that in view of the extraordinary enlargement of the river channels, required to provide a suitable through waterway, the Federal Government pay the cost, as determined by the Chief of Engineers, that is finally involved in making necessary changes in existing railroad company crossings, and track adjustments in connection therewith.

It is also important to note that at this point express approval is given by the Chief of Engineers himself, apart from the Board. Maj. Gen. J. L. Schley, in his report of May 23, 1939, as bearing specifically upon the short canal as a separate step justifiable in and of itself, apart from the final decision upon the completion of the through canal, made a statement. His statement appears on page 10 of House Document No. 178, and is material and important. In paragraph 24 of the statement General Schley said:

Because of the large expenditure required for the project and in order that advantage may be taken of changes in economic conditions and of adjustments in transportation charges, the Board believes that its construction should be undertaken in several steps, the first step consisting of the improvement of the Beaver and Mahoning Rivers as described in House Document No. 277, Seventy-third Congress, second session, with modifications as proposed by the present plans, at an estimated construction cost of \$38,500,000 to the Federal Government and \$3,900,000 to the local interests.

Then he added:

Extension of the waterway, in part or in full, to Lake Erie should be undertaken only if found advisable after further determination of economic advisability, taking into consideration rate adjustments and changes that result from the work already finished, and after the Chief of Engineers has been assured that adequate terminals will be constructed by local interests.

26. I concur with the Board that the Pittsburgh-Ashtabula route is the best route for a waterway between Lake Erie and the Ohio River, and that the savings in transportation charges and other benefits are sufficient to warrant the adoption of the project at this time.

27. I also concur with the Board that construction, if authorized, should start with the canalization of the Beaver and Mahoning Rivers to Struthers. This part of the proposed project is economically justified as an independent improvement and as such would become an important arm of the Ohio River waterway system. The commerce available consists largely of bituminous coal which now moves from points in the Ohio River Basin by barge to, and near, the mouth of the Beaver River, where it is transferred to rail lines for a short haul to points in the Youngstown area. After the construction of this section of the waterway the movements could be completed by barge



with a considerable saving in transfer and line-haul costs.

28. The through project to Lake Erie will save the shippers an average of 72 cents per ton in transportation charges on the prospective commerce, estimated as 28,000,000 tons per year. The total Federal and non-Federal costs resulting from the construction of the project would amount to a cost of 43 cents per ton, leaving a net average saving of 29 cents per ton. It seems important to call attention to the fact that if the waterway is constructed the railroads which now carry this commerce would have to meet a competitive water rate averaging 72 cents per ton below the present rail rates, or lose a large volume of traffic and revenue, while a permanent reduction in rail charges averaging 29 cents per ton, if put into effect prior to construction of the through waterway, would eliminate the justification for the project. Since it is impossible to determine at this time the extent and effect of future possible rail-rate reductions it is advisable that the completion of the waterway from Struthers to Lake Erie in part, or in full, be undertaken only after the section to Struthers has been opened to traffic and after a further finding by the Chief of Engineers of economic justification, taking into consideration trends in economic conditions, rate adjustments, and changes that result from the work already finished. It is advisable that the through project be authorized in accordance with the plans outlined by the Board and that the program of construction be left to the decision of the Chief of Engineers and the approval of the Secretary of War.

29. I therefore recommend the construction of a waterway extending from the Ohio River through the Beaver, Mahoning, and Grand River Valleys to Lake Erie with minimum depth of 12 feet and generally 250 feet wide (minimum width 200 feet), at an estimated cost to the United States of \$207,257,000 for construction and \$1,730,000 annually for maintenance and operation, the exact alignment, location, program of construction, and details of design of all structures to be left to the decision of the Chief of Engineers, subject to the condition that before any construction work on any part of the improvement is undertaken, local interests shall—

(a) Furnish free of cost to the United States title to all lands required for right-of-way in and south of the city of Warren.

(b) Agree to furnish free of cost to the United States suitable spoil-disposal areas for initial work and for subsequent maintenance as required for the section in and south of Warren.

(c) Agree to hold and save the United States free from claims for damages in connection with existing water rights for power development and other purposes, and for other damages that may occur due to construction of the waterway.

(d) Agree to operate Milton Reservoir under the supervision of the Chief of Engineers for the primary purpose of increasing the low flow in the interest of navigation.

(e) Agree to make at their expense alterations, as required, of existing highway and steel company bridges spanning the Beaver and Mahoning Rivers, and necessary road changes in connection therewith.

(f) Agree to maintain at their expense all new public roadways, to maintain and operate at their expense all rebuilt and new highway and steel company bridges, and to assume the cost of maintenance and operation of all new railroad company bridges, constructed incident to the improvement.

(g) Agree to make at their expense alterations, as required, in all sewer, water supply, and drainage facilities.

(h) Agree to provide at their own expense, and as required, suitable and adequate lake and canal terminals, and dredged harbor

areas adjacent thereto shoreward of channel or harbor lines, in accordance with plans approved by the Chief of Engineers and the Secretary of War.

I further recommend that in view of the extraordinary enlargement of the river channels, required to provide a suitable through waterway, the Federal Government pay the cost, as determined by the Chief of Engineers, that is finally involved in making necessary changes in existing railroad company crossings, and track adjustments in connection therewith.

There then follows an interesting side development of importance in the history of this matter. It is contained in a letter from Frederic A. Delano, chairman of the advisory committee of the National Resources Committee, to the President of the United States, written on February 16, 1939. The letter will be found on pages 17 and 18 preceding the report from which I have just been reading, in House Document No. 178. It reads in part as follows:

In view of (1) the previous general authorization for the project, (2) the possibility of delaying the allotment of funds for the project for some time after a perfecting authorization may be made, and (3) the ill-humored protest which almost certainly would greet any attempt to delay congressional consideration of such authorization, our advisory committee suggests that the report be transmitted to the Congress without comment by you. However, the committee recommends that you consider taking the following action at that time:

1. Request the Secretary of War to inform you before any allotments are made for actual construction of the project, if and when it is authorized in its modified form.

That refers to the full through canal.

2.—

This is of special importance here—

Request the Interstate Commerce Commission to review the report, when printed, in order to determine the need for the project in relation to present rail and highway facilities and to the effect which the construction of the project would have on the operations of rail and motor carriers \* \* \*. There is a possibility, of course, that the Commission may not wish to make this study and may suggest that the investigation involved is beyond their authority. It seems to us, however, that the question, if it arises, might well be faced on an important case like that of the proposed Beaver-Mahoning Canal involving over \$200,000,000.

The President, in transmitting the report to the Chairman of the Interstate Commerce Commission, followed that recommendation. I ask unanimous consent that there may be printed at this point in the RECORD the letter from Franklin Delano Roosevelt to the Chairman of the Interstate Commerce Commission, dated February 16, 1939, appearing at page 15 of House Document No. 178, carrying out that recommendation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, February 16, 1939.

Memorandum for the Chairman, Interstate Commerce Commission.

I recently have reviewed a report by the Chief of Engineers in which he concurs in the recommendations of the Board of Engineers for Rivers and Harbors for construction of a waterway through the Beaver, Mahoning, and Grand River Valleys at a cost to the

United States of \$207,257,000 and to local interests of \$12,472,000. The report is being transmitted to the Congress by the Secretary of War.

The Board states that "if the railroads would permanently reduce the rates by an average of 29 cents per ton prior to construction of the waterway, the through project could not be justified." The Board then goes on to say that—

"At the present time the Interstate Commerce Commission does not regard cost of service as the sole controlling factor in determining whether rates are just and reasonable (see 223 I. C. C. 657, p. 737), and hence it would be illogical to consider the present rates as the cost of providing the rail service, and it would accordingly be impossible for the Board to predict the extent to which rail-rate reductions will be put into effect either prior to or after the construction of the waterway. However, it is quite evident that if rail reductions are to be made, as is usually done to meet water competition, it would be advantageous to both the railroads and the United States for such reductions to be made before large obligations are incurred for construction work on the through canal."

In view of this report, I wish that the Commission would undertake an investigation of rail rates in the area affected and review the report, as soon as it is printed, so that the Commission may advise me on whether or not rate reductions of the magnitude and type noted above would be economically justified. I presume that such review would require consideration of the present railway and highway facilities in the area concerned, and of the effect which construction of the project would have on rail and motor carriers. These are problems which I should like to have examined before large Federal expenditures are made for the project.

FRANKLIN D. ROOSEVELT.

Mr. BURTON. Mr. President, under those circumstances we have the unique situation of a through canal much larger than the one now proposed being referred to the Interstate Commerce Commission for recommendation, in view of the great disparity existing between the railroad rates and the water-transportation rates, it being clear that there would be a saving of \$8,000,000 a year, or more if the water route went through.

Under those circumstances it would be conceivable that the railroads might voluntarily reduce rates. One would suppose, to meet a situation of that kind, where the Interstate Commerce Commission expressly found and showed that the rates do not depend so much upon cost to the railroads as upon what the traffic will bear, and that therefore they could be reduced. Throughout these communications the thought was expressed that perhaps voluntary reductions might be brought about. But I wish to emphasize—and this point is material to our present issue—that the railroads resisted all proposed reductions from the year 1927 on, at which time, as I pointed out, they resisted construction of an additional railroad to provide lower rates. The railroads are now resisting reduction of the rates, and they definitely declined to make voluntary reductions when they were sought in 1940 by the Youngstown interests, following the 1939 report, which would point toward their solution.

It is with this point in mind that I wish to call the attention of the Senate to the failure of the railroads to respond

to every effort of the Youngstown interests to bring about a voluntary reduction in rates on the long canal which was then under consideration by the Interstate Commerce Commission, or was about to be.

I shall now read from a brief recently filed in 1944 in a case pending before the Interstate Commerce Commission. It is Docket No. 28,825, entitled "Bituminous Coal to the Youngstown District," filed by the Youngstown Sheet & Tube Co., in which there is a review of the efforts to obtain voluntary reductions on this long route. I read from pages 8, 9, and 10, in part:

The construction of a canal connecting the Ohio River with Lake Erie has been actively advocated by various associations in the Pittsburgh district and in Youngstown and Mahoning and Shenango Valley districts for the past 50 years. This has been particularly so in the last decade.

In 1935 the Chief of Engineers, United States Army, recommended construction of a canal from Beaver, Pa., up the Beaver and Mahoning Rivers to Struthers, Ohio, just east of Youngstown. This improvement was authorized in the River and Harbor Act of August 30, 1935, "subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors." It will be noted that that portion of the project from Beaver up to Struthers is now shown on the official map of the War Department as an authorized section of the waterway. Following this authorization there was further study of the through project, and it was finally approved in the report of the Chief of Engineers dated January 23, 1939. This was the report which contained the reference to the economic effect of a possible rate reduction averaging 29 cents per ton by the rail carriers, and was the same report which was submitted by the President to this Commission and resulted in its report cited "Proposed Lake Erie-Ohio River Canal."

It was that report which, at page 763, contained the statement indicating that the Commission was unaware of the attitude of those carriers respecting the desirability of making a voluntary reduction in the rates.

The Youngstown interests undertook to develop what that attitude was, with particular reference to the all-rail and ex-river rates on bituminous coal to the Youngstown district. Negotiations were had between representatives of the Youngstown consumer interests and the traffic vice presidents of the Baltimore & Ohio, the New York Central, and the Pennsylvania Railroads, commencing in Youngstown on March 29, 1940. No definite proposal was made by the carriers in the course of that conference. The conference ended with the understanding, at least on the part of the Youngstown interests, that an affirmative proposal would later be made by the railroad representatives. That, however, did not eventuate.

Three months later, there was a further conference between Youngstown representatives and the same traffic executives of the three trunk lines, at which time the latter stated that they had not intended to make any proposal with respect to voluntary reductions. A further and last conference was had on August 5, 1940, at which time the carriers' position was stated about as follows:

"After a great deal of discussion and after giving the subject very full consideration and acting on the advice of counsel, that no change could be made in either the all-rail or ex-river coal rates to Youngstown without adversely affecting coal rates over a very wide territory, and particularly due to two important coal-rate adjustment cases now

pending before the Interstate Commerce Commission, these three railroads regret very much that no change can be made in the Youngstown coal rates at the present time."

This ended the conference. Insofar as it indicates the conceivable possibility of some later reduction in rates, it is indirectly hopeful; but insofar as actual results go, there have been no reductions in rates, and the situation stands on the voluntary refusals which I have stated.

But the striking thing is what the Interstate Commerce Commission did when it reported on the application to it for a reduction in rates. The Interstate Commerce Commission reported on the application on October 3, 1939. It reported to the President, and the report is published in volume 235 of the Interstate Commerce Commission Reports, page 753. It is also found at pages 128 to 153 of the hearings before the House Committee on Rivers and Harbors held September 30, 1941, to October 6, 1941.

Briefly, the answer of the Interstate Commerce Commission as to the possibility of requiring a reduction of railroad rates on the basis of potential water transportation on the through-canal was "No." It was stated, in effect, that under the present law potential water competition is not enough, but apparently actual water competition might be enough to secure reductions based upon competitive conditions.

The report does not deal with the short-canal issue, but solely with the through-canal issue. It is, however, of great value for at least two reasons. The report from the Interstate Commerce Commission demonstrates the futility of seeking rate reductions in the absence of actual water competition. Secondly, it demonstrates the general soundness of the engineers' report in estimating the benefits to be derived in savings from water transportation on the basis of the through canal. The report of the Interstate Commerce Commission therefore reflects favorably upon similar estimates previously made by the Board of Engineers on the short canal.

Therefore, the statement from the Interstate Commerce Commission has two distinct values to us. First, as indicating the futility of competitive reduction in rates based on potential water competition, and therefore looking toward actual water competition as the only means of securing the reduction; and secondly, as an expression of opinion from the Interstate Commerce Commission as to the reliability of the Army engineers in their estimates of rates and savings.

On the first point, that of the futility of seeking a reduction in rates on railroad transportation based on potential water competition, the Interstate Commerce Commission points out that the rates it approves for railroads do not depend wholly on costs, but evidently include also historical and actual competitive factors. It points out clearly that the railroad rates are not based wholly on costs. They are based on a multitude of things. Therefore, in many cases, as in the present one, it is clear that the rates do not depend in any substantial measure on

the cost of transportation between the Ohio River and Youngstown, but upon what the traffic will bear, and the ability to exact from consumers and shippers, in the absence of any other competition, a rate higher than that based on any cost factor.

In order to make this clear, I invite attention first to the provision of the United States Code, title 49, section 4. It is there stated that the charges for long and short hauls cannot be varied by the Interstate Commerce Commission merely because of potential water competition. The language is as follows:

And no such authorization shall be granted on account of merely potential water competition not actually in existence.

That means that the Interstate Commerce Commission, under the statute, does not have the right to modify certain railroad rates because of potential competition, but when actual competition occurs the situation is different.

I now read from the opinion of the Interstate Commerce Commission. I take the quotations from the opinions of the Commission as reprinted in the hearings held by the Committee on Rivers and Harbors of the House of Representatives from September 30, 1941, to October 6, 1941. The first quotation is on page 133 of those hearings. It bears upon the futility of action by the Interstate Commerce Commission. The Interstate Commerce Commission says in its report:

Section 4 prohibits the charging of higher rates to intermediate than to more distant points over the same line or route unless, under the conditions specified in the section, we have authorized such rates. We may not give such authorization if, among other things, the adjustment sought is justified by only potential water competition.

A little later in its report, on the same page, the Commission said:

In implementing the general standards set up in these four sections, we have never considered it practicable to make rail rates wholly with relation to the costs of transporting particular commodities between particular points. The reasons are in part the difficulty of ascertaining such costs but more importantly the fact that the rate structures with which we have had to deal have reflected the part and continuing efforts of the railroads to cope with competition and to preserve and to promote the traffic in which they are individually interested.

I may say, Mr. President, that we are there confronted with the situation that in this particular area we are handicapped by a lack of actual competition in railroad transportation and we therefore pay a higher rate for transportation costs because we are not in a position to provide the competition which would force rates down and the traffic is made to bear a high charge merely because it is unable to escape it.

Again on the same page 133 the Commission says:

The rise of motor transportation and the extension of water and pipe line competition have undone many of our efforts, and the rate structures of the country have become more complex as a result.

That certainly does not give us a basis for saying that the Nation should step in



and allow for the benefits of actual water competition at Pittsburgh, for example, and at other places which have actual water competition, and then refuse to step in and help to establish similar actual water competition at Youngstown. The rise of water competition is entitled to assistance just as much for the benefit of Ohio consumers and taxpayers as it is for the benefit of Pennsylvania consumers and taxpayers.

The Interstate Commerce Commission on page 133 again said:

We have made for the purposes of this report a general analysis of the costs of rail transportation of the traffic that directly and indirectly may be affected by the proposed waterway. This analysis has not been carried to a point which would enable us to determine whether the rates to Youngstown and other points interested in the project are in any particular out of line with other and related short-haul rates. Such a finding, which in any event would not be conclusive of the issues can best be made on a public record to which the interested parties would contribute. We can say, however, that the traffic in question is both short-haul and heavy loading, it is probable that, from a cost standpoint alone, some and perhaps most of these rates could be reduced without bringing them down to cost.

I wish to emphasize that although recognizing that these rates were substantially above cost and that they would be subject to be reduced, there was both an unwillingness and perhaps an incapability of reducing them in the face of merely potential water competition.

On page 134 the Commission states the alternative as follows:

We do not know what the attitude of these carriers is respecting the desirability of making a voluntary reduction at this time in preference to making a larger reduction in the event the project is carried through. As we now see the matter, they face the alternatives of attempting to make a voluntary reduction which could not, on present information, be confined to Youngstown and the other points which have figured in the Board's calculations, and the making of a larger competitive reduction after the waterway is provided. Under the law as it now stands and on the information now available, the railroads probably could not single out the specific rates which the Board has in mind.

That merely emphasizes the necessity of proceeding soon with the short canal construction or at least with its authorization, if there is to be any relief.

I go now to page 153 of the same report. In the summary of the Interstate Commerce Commission its first statement is as follows:

By the way of final summary, we wish to state (1) that permanent rate reductions of the type and magnitude specified in the inquiry directed to us would not be economically justified prior to the construction of the canal for the reason that, on the information now available, these reductions could not be confined to the traffic of those who would be expected immediately and directly to benefit by construction of the proposed waterway.

All that says is that obviously there is a basis for reduction; that competition will bring about reduction; that the general public would benefit from it, but that the Interstate Commerce Commission will not order a reduction in the

face of merely potential water competition. It leaves us but one alternative, the alternative so often used by the Federal Government throughout the Nation, namely, the construction of beneficial water transportation.

I may add at this point, as bearing upon the railroad rates of this Nation, an interesting statement made by the Board of Investigation and Research, which was created by the Transportation Act of 1940 to investigate the transportation situation and to make recommendations to the Congress for its betterment. That commission report is published in House Document 595 of this Congress, the Seventy-eighth Congress, 1944, page 6, the following:

Theoretically rate levels are related to the two factors of cost of the service and value of the service. Actually, however, the freight rate structure picture is a crazy quilt of inequalities and discrimination.

That is what has taken place in Youngstown, and the relief is to resort to a cheaper method of transportation which would eliminate the discrimination at that point.

Mr. President, this report of the Interstate Commerce Commission is important also as indicating an independent opinion of the reliability of the methods and procedure used by the Board of Engineers in their estimates of cost. I wish to point out that at pages 136 to 150 of this report the general soundness of the Board of Engineers' estimates of benefits are approved and especially its estimate of traffic and its estimate of savings in transportation costs. These cover in detail iron ore, coal, limestone, and costs of barge (line-haul) and terminal operations. The investigation points out that these estimates of the engineers are conservative. In order to emphasize that I quote from page 145 the opinion of the Interstate Commerce Commission. This, I believe, will be of interest to anyone who has in mind a criticism in any way of the procedure and the conclusions of the Board of Engineers and the present procedure. At page 145 the Commission said this:

Conclusion as to traffic estimates and effect on rail carriers: While we have not undertaken a detailed or field check of the tonnage estimates used by the Board—

That means by the Board of Engineers—

and have confined ourselves to certain general tests of their reasonableness, it appears appropriate to conclude that, if the waterway is constructed and if rail rates are not reduced, less iron ore and possibly more coal and miscellaneous commodities will move over it than are indicated by the estimates used by the Board. On the whole, therefore, it appears that at least 28,000,000 tons of rail traffic would be diverted, or held only by substantial reductions of rates. Furthermore, rate reductions probably would not be confined to those directly required to check the competition which the waterway would make possible. Carriers indirectly affected would endeavor to meet the situation by reducing their own rates.

There is no way of definitely foretelling how far the process would go, but, to obtain the true picture of the total tonnage that would be affected, the 28,000,000 tons included in the Board's statement of prospec-

tive traffic should be doubled and probably considerably more than doubled. Further, the reduction of rates necessary to hold this traffic would have to be well above the average figure of 29 cents per ton previously considered. The maximum reduction would be in the neighborhood of 72 cents. If 50 cents be used as an average figure, the revenue loss sustained by the railroads might well exceed \$35,000,000 per year.

I quote those figures for two reasons: First, because they indicate the conservativeness of the estimate of the engineers as to the savings resulting from water transportation as compared to rail transportation; and then I wish to emphasize that these figures relate to the through canal as a measure of railroad operation. Therefore, although while there may be reasons for hesitancy in providing the through canal under these conditions because of its major effects, these same reasons do not apply to the much smaller scope of the short canal. These conclusions indicate that the savings estimated by the Army engineers on the short canal are dependable. They also indicate that their total effect on the widespread operations of the railroads would be comparatively small. In other words they justify a lowering of the excessive railroad rates, and, unlike the situation on the through canal, such lowering of those rates can have only a comparatively minor effect in disturbing the general rate structure of the railroads.

Similarly, on page 150, we have the comment of the Interstate Commerce Commission bearing upon the cost, and this is important in view of the criticism which has been suggested from time to time as to the estimates of the engineers on the subject of costs. At page 150 the Interstate Commerce Commission said:

The other items included by the district engineer appear reasonable, and no item of cost seems to have been omitted.

It is concluded, therefore, that the line-haul and terminal costs seems to have been reasonably determined in the light of the various contingencies to be considered. These costs relate more or less to the present time. No one can definitely predict what they will be some years hence, though it may be presumed that, in general, rail costs will move in a considerable degree in unison with those of water transportation.

That brings me to the next historical step, which occurred in the Seventy-seventh Congress, when hearings were held in the House committee in 1941. I have been reading from those hearings because they included in them quotations from the Interstate Commerce Commission decision.

Following those hearings, which were held September 30 to October 6, 1941, there was an approval of the project by the House committee. This approval is found in Report No. 1431 of the Seventy-seventh Congress, House of Representatives. It is a brief statement, and I shall quote from it only in part. The approval appears at pages 83, 84, and 85 of the report. This is the latest approval by the House of Representatives of this project. This was an approval by the committee of the House rather than the whole House because it never reached the floor, but as late as 1941, under conditions which called for the construction

of this project as a wartime measure at a far greater cost than is now proposed, the committee found in favor of it, and found in favor of it with this language. I quote from page 84:

The authorization item in this bill for this project reads:

"Beaver and Mahoning Rivers project, Pennsylvania and Ohio, from the Ohio River to Struthers, Ohio, authorized in the Rivers and Harbors Act of August 30, 1935, and modified in accordance with the report of the Board of Engineers for Rivers and Harbors contained in House Document No. 178, Seventy-sixth Congress, first session."

This provision modifies the plan of improvement for the Beaver and Mahoning Rivers, Pennsylvania and Ohio, as authorized by the River and Harbor Act of 1935 (but upon which work has not yet been commenced), to conform to the plans for the improvement of this section of the Lake Erie & Ohio Canal as recommended by the Board and Chief of Engineers. The modified plan will provide a channel 12 feet deep and 250 feet wide by the construction of six locks, each 56 by 720 feet, from the Ohio River to Struthers, Ohio, a distance of 35 miles. The difference in this authorization and that authorized in 1935 is that the canal width is increased from 200 to 250 feet.

This stub-end canal is economically justified as an independent improvement and as such would become an important arm of the Ohio River waterway system. The commerce available consists largely of bituminous coal, which now moves from points in the Ohio River Basin by barge to and near the mouth of the Beaver River, where it is transferred to rail lines for a short haul to points in the Youngstown area. After the construction of this section of the waterway the movement could be completed by barge with a considerable saving in transfer and line-haul costs.

Other commodities which would move on this stub-end canal in large quantities are coke, scrap iron, fluorspar, sand and gravel, cement, pyrites, gasoline, fuel oil, pig iron, limestone, and manufactured iron, steel, and other products.

The extension of the waterway, in part or in full, to Lake Erie, should be undertaken only if found advisable after the first section to Struthers has been opened to traffic and after a further determination of economic advisability, taking into consideration changes that result from the work already finished, and after the Chief of Engineers has been assured that adequate terminals will be constructed by local interests.

I quote that as the last action from the House of Representatives, taken in 1941, by the House Committee on Rivers and Harbors. I believe that it is a sufficient guaranty that if the Senate adopts the pending amendment it will be accepted by the House committee, and the representatives of the House committee on the conference, and later by the House itself.

Since that occurred, in 1941, two reservoirs have been constructed in this area for flood-control purposes which have made the pending project more economical as a canal, and also have improved its feasibility.

Under the Flood Control Act of June 28, 1938, the Berlin Reservoir, costing \$7,250,000, was constructed for flood-control purposes, and under the act of June 28, 1938, there was also authorized the Mosquito Creek Reservoir, costing \$5,550,000. Both these have been built, and I understand both of them are now in operation.

The result is that the water in the Beaver and Mahoning Rivers is under better control, through this flood control, and therefore the previous proposal for pumping water up the river in order to provide this canal flow is not necessary.

The interesting point of this is that when the House committee approved the project, in 1941, it approved it in the absence of these reservoirs. These reservoirs being there now eliminate a substantial part of the difficulty from both an engineering and a cost standpoint, and therefore it is a much more attractive proposal than when the House had the bill before it in 1941.

Mr. President, this brings us to the year 1944, and to the pending bill, House bill 3961, before us today, which was passed by the House of Representatives on March 22, 1944. It did not then include any reference to the Beaver-Mahoning canal, nor was that matter discussed at any stage in connection with it, because, as was pointed out here previously, it was thought that presumably it should start in the form of an uncontroversial and smaller measure, and that the House would not have to take the time to go over those controversial matters unless there was probability of passage of the bill before the end of the present Congress.

Mr. DAVIS. Mr. President—

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Ohio yield to the Senator from Pennsylvania?

Mr. BURTON. I yield.

Mr. DAVIS. The Senator mentioned two reservoirs. Will he give us the location of them?

Mr. BURTON. They are the Berlin River Reservoir and the Mosquito Creek Reservoir. If the Senator from Pennsylvania will turn to the little map which he has before him on his desk he will see, just above Youngstown, the Mosquito Creek Reservoir directly north of Youngstown, and he will see to the west of Youngstown the Milton River, which is a local reservoir, and below that the Berlin Reservoir. All of them are in the upper reaches of the Mahoning River, or its tributaries, and therefore are helping to control floods and the flow of water through the steel areas, and, incidentally, they affect the canal.

Mr. DAVIS. Are any of those reservoirs used as sources of water supply by the people in the neighborhood?

Mr. BURTON. I understand the people in those neighborhoods draw some of their water supply from that river, and therefore incidentally there is a benefit from it for example at Beaver Falls and in the areas below it helps to control the steady flow of water.

Mr. AIKEN. Madam President—

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from Ohio yield to the Senator from Vermont?

Mr. BURTON. I yield.

Mr. AIKEN. In looking at this map, there is one thing which puzzles me somewhat, that is, that the canal just goes to Youngstown and stops, or I would say goes not quite halfway to Lake Erie and stops. I was wondering why, in these

days, when we are appropriating billions of dollars, almost without giving much thought to it, the canal was dead-ended there, instead of going through to Lake Erie?

Mr. BURTON. That is precisely the matter I have been reviewing, and I can state the answer in a few words, in this way. When the proposal came before Congress in 1935 for the short canal to Struthers, the Senate, on the floor, inserted an amendment, subject to approval by the Board of Engineers, for a through-canal to Lake Erie. That resulted in a 4-year study of routes to Lake Erie. The Pennsylvania people urged a route to the east. The Ohio people suggested this and at least two other routes, to the west. The Board of Engineers analyzed all the routes, and concluded that the one I am now referring to was the route to be followed if there was to be any route through to Lake Erie. They recommended such a route, and recommended its approval at a cost of \$240,000,000. They then recommended that the canal as here suggested—and which is before the Senate now—should be completed as the first step, and that there should be a further survey of the economic conditions at the time of its completion, before proceeding with the expenditure of the rest of the money, because there might be quite an economic readjustment based upon the construction of the short canal.

Mr. AIKEN. The Senator expects then that eventually the canal will go through to Lake Erie?

Mr. BURTON. I am rather doubtful of that.

Mr. AIKEN. Why would the Senator be doubtful?

Mr. BURTON. Because there does not seem to be the same urgency for that as exists for the shorter canal. Controversy has been raised from time to time respecting the two proposals. I am urging the shorter canal on the basis of the recommendation of the Board of Engineers, and in any event this is a valuable contribution to a through canal, and it is a valuable contribution independent of it, on its own feet. There may well be a valuable contribution, as pointed out by the Interstate Commerce Commission, if there is actual water competition with rail transportation, which might make the high charge for the railroad transportation no longer justifiable, and even though the railroads have not yet offered to do so heretofore, they might then reduce their rates in the light of that actual competition.

Mr. AIKEN. How is the ore brought into Youngstown, Pittsburgh, and other places in that locality at the present time?

Mr. BURTON. The ore from the north comes down largely by rail after it reaches the southern shore of Lake Erie.

Mr. AIKEN. By rail?

Mr. BURTON. The ore does, yes; because it cannot come down otherwise.

Mr. AIKEN. From where? From the lake side?

Mr. BURTON. From different ports along the lake. I mean the ore comes down by boat from the iron mines to



Cleveland or other ports. It is then shipped by rail from there.

Mr. AIKEN. Even to Pittsburgh?

Mr. BURTON. Even to Pittsburgh.

Mr. AIKEN. I think that would put those places in decided disadvantage with the steel plants which are on the lake.

Mr. BURTON. That gives an advantage to the steel plants which are on the lakes, but they have a longer haul for their coal coming up the other way.

Mr. AIKEN. For instance, I discovered on a trip west that the ore was being transported from Duluth to the lake cities for about 90 cents a ton, or about 10 percent of the rail cost. It seems to me that if water transportation could be gotten through to these other places, for instance Youngstown and Pittsburgh, it would mean a decided saving and a lowering in the price of steel.

Mr. BURTON. That is precisely the argument that was presented in full in this interesting report of the engineers to the Seventy-sixth Congress, in which they say they feel that the through canal would result in an annual saving in transportation and economic benefits of about \$3,000,000 a year.

Mr. AIKEN. I think it might even result in business being done which otherwise would not be done.

Mr. BURTON. When the Interstate Commerce Commission made its investigation it thought that the estimates of the engineers were conservative, and probably should be doubled, but hesitated to make recommendation on the basis of merely potential water competition.

Mr. AIKEN. Could the Senator from Ohio tell what the effect of importation of foreign ores is going to have on these inland steel cities? As I understand, a great deal of Chilean ore is now being brought in on the Atlantic coast.

Mr. BURTON. That, I believe, brings the Senator from Vermont to the St. Lawrence seaway proposal, whereby some of that ore would come through the St. Lawrence seaway to the lake ports.

Mr. AIKEN. I think the completion of the St. Lawrence waterway would go a long way toward assuring efficient and economical transportation to Cleveland and other lake cities.

Mr. BURTON. There is a difference of opinion as to that on the part of the people of Cleveland and other cities.

I thank the Senator from Vermont. He has brought out the importance of the long canal and the shorter canal. Both projects stand on their own feet, particularly on the basis of the report of the engineers.

That, Mr. President, brings me then to the present hearings in the Senate Committee on Commerce. That is the last action that has been taken on this matter in the Congress. The hearings were held on May 1 and 2, 1944. I wish merely to emphasize official statements which were made on behalf of the Chief of Engineers at that time, because we have a new Chief of Engineers, and therefore in order to bring the third Chief in line with the others, I refer the Senate to the hearings before the Committee on Commerce on May 1, at page 105. The Sena-

tor from Louisiana [Mr. OVERTON] there said:

I would like to ask General Robins a question. In the absence of General Reybold, General Robins, I want to ask you, as Acting Chief of Engineers, as to whether or not it is your opinion that the Chief of Engineers—

That is General Reybold—

does recommend the construction of the Beaver-Mahoning project from Struthers down to the Ohio River, as set forth in Senator BURTON's amendment, with the modifications insofar as applicable to this part of the project contained in the report on the larger project extending from Lake Erie to the Ohio River; or, on the other hand, is it your opinion that the Chief of Engineers recommends the construction of the Beaver-Mahoning project with such modifications only in the event that the entire project is constructed?

Major General ROBINS. He recommends the entire project for authorization if Congress sees fit to authorize it. If Congress sees fit only to authorize the part of the project from Struthers down to the Ohio River, he recommends that and believes that that in itself is fully justified economically.

On page 106 the Senator from Louisiana [Mr. OVERTON] then asked:

Now, what I want to get at, to express it another way, is, Does the Chief of Engineers recommend this project from the Ohio River to Struthers as a separate, independent project, in accordance with the recommendations modifying the project, from the Ohio to Struthers, in that last report?

Major General ROBINS. In my opinion he does; yes, sir.

Then Major General Robins, in reply to a question raised by myself, said, also on page 106:

I was on the Board of Engineers for Rivers and Harbors when this project was up and helped prepare the report of the Board and also the report of the Chief of Engineers, and there was no doubt in the minds of the Board or of the Chief either that they wanted the Struthers-Ohio River section of this project built as an initial step, and that they did not want the complete project built until the first step was completed and in operation.

It was following this hearing that the Committee on Commerce itself joined in the favorable report, Report No. 903, to the Senate, which I have already read, and which is the basis of our action here today on the committee amendment.

The only other remaining step that is pending at this time, besides this bill, is the proceeding before the Interstate Commerce Commission, No. 28825, in which an attempt is being made to secure a reduction in railroad rates to 87 cents per net ton as an all-rail rate on bituminous coal from the Pittsburgh base district to Youngstown, instead of \$1.44; and a 55-cent per net ton as the ex-river rate on bituminous coal from Conway and Colona to Youngstown, instead of 90 cents. This would not equal the savings that would be made if there were a canal, but it indicates that every effort is being made to reach a fair result. The Senate owes it to itself and to the country and to the Interstate Commerce Commission to stand its ground on this canal proposition in order that it may be clear that actual competition will and can be provided that will produce at least these reductions in rates, if they are not available in any other manner.

Mr. President, that brings me to the end of the historical presentation of this case. I believe that the historical presentation proves the case. It is important also that there be in the record a justification of the case itself on its merits.

I want to say that the transportation that will be available through this canal is by no means solely for the benefit of one or two companies or a few people at Youngstown. Any project that reduces the cost of transportation in the production of steel or other products is of benefit to the entire country. When we speak in behalf of the canal we speak in behalf of the consumers, in behalf of the shippers and of the taxpayers, those who pay, rather than those who receive returns from these operations. These reports show that the canal would result in a reduction of the cost to the public as a whole.

In addition I wish to make this clear in the RECORD, that among others who would benefit from this canal directly, without looking to the indirect results throughout the Nation, there should be listed the following companies and businesses, among others. On pool No. 6 of the canal, the Republic Steel Corporation, its Youngstown plant, which makes up to 50,000 steel ingots per month, which are shipped to the Warren plant. Also on pool No. 6 the Struthers Iron & Steel Co., the Youngstown Sheet & Tube Co., and the Sharon Steel Corporation at their Lowellville plant.

On pool No. 5 of the canal, the Ohio Edison Co., using about 218,000 tons of coal in a year; the Bessemer Limestone Co., the Standard Slag Co., and the Carbon Limestone Co.

On pool No. 4 various companies located in New Castle. The engineers found that some 565,000 tons of traffic would move to New Castle on this canal.

On pool No. 3, the Crescent Portland Cement Co. at Wampum, Pa. The engineers found that some 75,000 tons of freight shipped to this company would be shipped by barge on this canal. The Pennsylvania Power Co., at West Pittsburgh, Pa., used 137,000 tons of coal in the year 1943, and would benefit from reduced rates on its transportation.

This brings me to the justification of the cost of this canal as presented by the engineers. It appears that the present estimate is \$38,500,000. This, I believe, is a thoroughly conservative estimate. In the original presentation, which is found in the 1934 report, House Document No. 277, the Board of Engineers, at page 12, paragraphs 27 and 28, breaks down in detail the estimates of the capital-cost involved. I ask permission to have printed in the RECORD at this point as a part of my remarks, without reading them, paragraphs 27 and 28 of the report, appearing on page 12, showing these figures.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

27. Making these changes the costs to the United States and to local interests as estimated by the Board would be approximately as follows:

## United States:

Locks, dams, and appurtenances	\$14,721,000
Channel	9,917,000
Railroad bridges over new channels (2)	318,000
Highway changes and bridge over new channel	166,000
Raising railroads to give 7-foot elevation above pool	400,000
Contingencies, engineering, and legal costs at 20 percent	5,104,000
Total	30,626,000

## Local interests:

Railroad bridges, track changes, etc.	5,642,000
Highway bridges and road changes	1,525,000
Water rights	780,000
Right-of-way and flowage damages	430,000
Total	8,377,000

Grand total construction cost 39,000,000

NOTE.—Allowance for contingencies, engineering, and legal expenses is made in each item.

28. The district engineer states that construction prices were based on 1931 figures. The Board is of the opinion that if the work were to be undertaken under present conditions, the total cost to the United States would be increased to approximately \$37,000,000, and to local interests to \$10,000,000, making a total of \$47,000,000.

Mr. BURTON. These figures show that the capital cost to the United States would be \$30,626,000, and the Board of Engineers added a 20-percent safety factor, making it \$37,000,000 in order to cover the increase in costs between 1931 and 1934.

In 1939, we find the Chief of Engineers stating in his report, on page 17, that the first step, as modified, would cost the Federal Government about \$38,500,000. In the 1941 hearings we find Colonel North estimating, even as a wartime measure, as a measure to be constructed at the high cost of wartime operation, that it would cost \$48,179,000. In the present hearing we find Colonel Feringa, at page 103 of the 1944 Senate hearings, again stating that the cost as a post-war project would be \$38,500,000. This is highly conservative, particularly in view of the elimination of the reservoir which was referred to in the earlier estimates.

As to the capital costs to local interests, we again find these well within conservative estimates. At page 12, in paragraph 27, which has already been placed in the RECORD, we find that the estimated cost to the local interests, as found in House Document 277, for 1934, is \$8,377,000. The Board of Engineers, in order to afford a thorough safety factor, increased this estimate to \$10,000,000, in view of the possible increase in labor costs from 1931 to 1934. But today we find that it will not cost \$10,000,000, because a good deal of the cost has now been transferred from private interests to the Government, and the Government costs have been otherwise reduced. Today the capital costs to the local interests appear in the 1939 report as \$3,900,000, and that is where they stand in our present estimates.

We come now to the question of the saving in rates of transportation. These are the annual savings based upon the high railroad rates and the lower water rates, and allowing for a fair return upon the various capital investments which have been made. That is to say, in order to bring about the estimate which results in the recommendation of the Board of Engineers, there is not merely a comparison between what the water rate would be and what the railroad rate would be, but in addition there is included a computation of what the full cost to the public is, including interest on the investment and the other items to which I shall refer. So there is a full and fair comparison between railroad rates and water rates, and other costs to the public besides what it pays in water rates.

Madam President, there are two general kinds of cases in which water transportation is well justified. One is even more clearly justified than the other. The case before us belongs to the clearer and more urgent class. The first class is a case in which the railroad rates are based largely upon cost and a fair profit, so that the rates cannot be fairly reduced without going below cost and a fair profit, perhaps resulting in the transportation company going out of business. On the other hand, there is the other class of rates—and this is one of those cases—in which the railroad rate is far above the cost of service, and is based upon what the traffic can be forced to bear, and the railroad refuses to reduce its extraordinary rate.

Much of the coal which would be brought in by way of the canal would come from the captive mines owned by some of the steel companies in Youngstown. The railroad really "hijacks" the load, because it forces it off the river at the Ohio River, and onto the railroad as the only means of transporting it, and charges what the traffic will bear, which is so high a charge as to be far out of line with other charges for railroad services. I shall show later that the present rate is more than twice the average rate for such service, and the earnings per car-mile are about five times the average earnings per car-mile.

As the Senator from Louisiana [Mr. OVERTON] has stated, the rate being paid to Youngstown is \$1.23½ a ton, whereas it would be about 40 cents a ton by water. The railroads refuse to reduce their rates to any degree whatever in order to meet this situation. The Interstate Commerce Commission, in a hearing dealing with the whole situation, declined to reduce the rates, in view of potential water competition.

In such a case the answer, which has been given so many times in this Nation, is actual water competition for the benefit of the public. Neither the railroads nor competing interests now enjoying water rates can justly oppose the rights of the rate-paying and tax-paying public, who are entitled to reasonable rates, not only in this case but in other and similar cases.

The contrast in rates is easily shown in this manner: The Youngstown coal rate is the highest per ton-mile or per car-mile paid by any steel-producing dis-

trict in America. It is about 21.3 mills per ton-mile, and the average revenue in the United States per ton-mile in 1942 for all class I railroads was 9.32 mills. The Youngstown rate is, therefore two and one-third times higher than the general average rate. Furthermore, the average rate in the Nation for coal is even lower than 9.32 mills. It is only 7.8 mills. So the Youngstown coal rate per ton-mile is about three times higher than the average rate for coal. These figures are taken from the 1944 hearings before the Senate Committee on Commerce, at pages 116 and 127.

On page 116 we find that the average earnings per car-mile in this service are \$1.40 based on the Youngstown charge by the railroads. This is five times greater than the average earnings of all class I railroads in the United States for comparable service. The average is 28 cents. These figures are taken from Statistical Survey No. 27 of the Bureau of Railroad Economics, a department of the Association of American Railroads.

The Senator from Louisiana referred to the economic history of this area as showing how it came about that Youngstown suffered this disadvantage. When Youngstown first went into the steel business, as he so well stated, there was coal nearby. When that was used up, the coke was produced by the beehive process at the mines and transported by rail. However, when the by product coke process was developed instead of the beehive coke process, it then became possible for the Pittsburgh interests to bring their coal by water transportation to the coke ovens at Pittsburgh, for coal, unlike coke, was suited to such handling. On the other hand it was necessary for the Youngstown people to carry their coal to Youngstown by rail or partly by water and partly by rail. The advantage to Pittsburgh due to water transportation, as against a part-rail or all-rail rate to Youngstown, became increasingly great as the rail rates went up.

Even that was not so bad, so long as the rates were equalized. But when the system of rate adjustment in the country was changed, and the equalization of rates between areas was abandoned new rates were set up. Then Youngstown was put at a disadvantage. If the differentials had been based upon cost for service, there would have been less basis for complaint. But when the differential was put upon the basis of what the traffic will bear, then there developed the extraordinary result which has been described.

It now means a contrast of this kind: It costs, to transport coal to Pittsburgh, somewhere between 10 and 20 cents a ton; whereas if the coal goes to Youngstown, the water rate which must be paid to the mouth of the Beaver River is 28 cents a ton. Then the coal must be unloaded and placed on railroad cars, at a loading or unloading cost of 5½ cents a ton. Then it is moved by rail into the Youngstown district, at a rail rate of 90 cents a ton, so that the total Youngstown river-rail rate on Monongahela coal is \$1.235, as compared with 10 or 20 cents in Pittsburgh or the 40 cents which the



rate would be if the coal were carried by water to Youngstown.

That brings me to a further computation which appears in the pamphlet which has been placed on the desks of Senators. It is the cost of the assembly of a ton of iron. It appears on page 10 of the pamphlet.

Mr. HOLMAN. Madam President, will the Senator yield for an observation?

Mr. BURTON. I am glad to yield.

Mr. HOLMAN. It seems to me that the Senator is demonstrating the truth that the value of any commodity depends not so much on what it is as where it is, and that transportation facilities are absolutely a controlling factor in the determination of the cost of any commodity.

Mr. BURTON. I appreciate the Senator's remark, and I wish to emphasize that that fact has been recognized by the Government for many years, and that therefore, with regard to the navigable waterways of the Nation, the United States has attempted to equalize that differential as between those localities, and to assist in making the navigable waters of the Nation national highways, open to use by anyone who can use them. All that has been a great contribution to the development of the Nation and has yielded a great saving to the public.

Madam President, I now refer to the tabulation which I mentioned. It appears on page 10 of the pamphlet which has been placed on the desks of Senators, and it shows the assembly cost of making steel products. It appears that in Steubenville, for example, the total estimated assembly costs per ton are \$6.565, at Pittsburgh \$6.626, and at Youngstown \$7.741. That makes a margin of \$1.115 against Youngstown in favor of the Pittsburgh area.

We are not arguing for anything other than a fair adjustment based on the actual cost of transportation available by means of the available waterways. If the waterway were built or were available, the cost of assembly at Youngstown still would be higher than the cost of assembly at Pittsburgh; but instead of being \$7.741 it would be \$6.891, or still a handicap of about 27 cents, as against the assembly cost of \$6.626 at Pittsburgh.

Coming to the question of the demonstrated benefits, as shown by the Board of Engineers for Rivers and Harbors, let me say that a minority report was filed from the Senate Committee on Commerce, the minority consisting of the junior Senator from Wyoming [Mr. ROBERTSON]. His report considers the matter in some detail, and I might comment upon it by saying that it makes the following interesting observations:

The river and harbor bill is nominally a bill dealing with navigation and water transportation; deepening of channels; construction of piers and harbors, and generally those matters which make water transportation possible.

A vast system of federally constructed waterways, based on a channel 9 feet deep and some 300 feet wide, has been built with Federal funds and is maintained by annual Federal appropriations. In the central and northern areas these inland waterway systems are not subject to year around use, and consequently the areas they serve are forced to rely on other means of transportation during 2, 3, 4, or 5 months of the year—

depending on the location. No mention of this great handicap is made in the bill.

The result is that year-round transportation companies have to hold additional equipment in readiness for the short-period use of their systems.

It is evidently intended to refer somewhat to the pending project. Therefore, I should like to say that the average time which proposed waterways in the northern latitudes will be closed to navigation is estimated by the Army engineers from operating and weather records, and is published in their individual project reports forming the basis for river and harbor bills. Wherever these limitations exist, the effect of the seasonal character of the transportation is recognized in formulating the plans of operation and in computing the value of the benefits. The churning effect of passing tows and the progressive improvement in ice-breaking technique are constantly prolonging the open navigation season in these latitudes. For instance, the latest report recommending provision of the Beaver-Mahoning improvement, which has been singled out for criticism in the minority report, estimates the period of navigation at 350 days out of the year. I am referring to House Document 178, Seventy-sixth Congress, paragraphs 112, 354, 384, and 394. They indicate, I may point out, that whereas on Lake Erie a large period of the year—perhaps at the most 90 days—is to be allowed as a factor in these considerations, on the short canal, as distinguished from the long canal, no comparable period is to be eliminated. That is why the estimate is made by the engineers on the basis of 350 days. As a matter of fact, they said in their report that the full year can be used as the basis. The condition on existing on the Beaver and Mahoning Rivers is substantially the same as that which exists on the Ohio River, on the Monongahela and the Allegheny waterways.

Materials adapted to water transportation, such as iron ore and other ores, limestone, raw chemicals, fuels, iron, steel, logs, lumber, pulpwood, cotton, grain, sugar, coffee, canned goods, and other staples making up the bulk of barge-borne freight on the inland waterways, readily lend themselves to seasonal transportation and to storage and stock piling against winter demands. They are not dependent to any considerable extent on other means of transport between water ports, and it is not necessary to maintain stand-by service to handle off-season movements. Traffic records show that the peak demand on the equipment and service of the northern railroads normally comes, not during the closed season for navigation but during the period from June through October, when waterway transportation is also at its busiest. The large-scale traffic in ore, coal, and grain on the Great Lakes, which is adjusted to an open season of only 8 months, is an extreme example of seasonal water movements that do not require or use stand-by overland carrier equipment to supplement vessel service between ports.

So far as the Beaver-Mahoning short canal is concerned, there is no necessity to maintain such equipment of railroads

to take care of the closed condition of the canal during the winter season, because the periods when it will be closed are so short, if any, that they would not require it, and in any event stock piling would take care of the situation with respect to practically all the products which would be transported on the canal.

I again refer to the minority report, which contains the following paragraph:

Various navigation projects calling for construction of new or of enlarging existing channels are approved by the committee on a basis of so-called benefits which are the rates charged for transporting freight on the subsidized inland waterways as compared with the rate charged for transportation on existing systems. In arriving at the rate-based benefit, which, in general, is that of estimated water-borne transportation rates as compared to existing railroad rates between the same points, but a fundamental and basic consideration in the water-borne transportation rate is omitted.

That is not a correct statement, because the computation of the benefits is not made merely on the basis of a comparison between the water rates and the railroad rates, but the other items are also taken into consideration, as I shall show in a moment.

The basis on which navigation projects are approved by the committee is the ratio of the annual transportation benefits to the full annual costs to both the Federal Government and local interests.

Annual costs include the expense of construction, amortization, maintenance, and operation of the waterways, with interest figures at the current rates at which the required funds can be obtained by the United States and local interests, respectively. Gross benefits are the estimated savings in transportation charges. They are derived from a comparison of prospective water-carrier charges via the proposed improvement on freight movements found economically adapted to barge transport, with prevailing charges via the most economical existing means of transportation, be it railroad, motor truck, pipe line, or other agency. Since the present transportation charges presumably provide for a reasonable income on the total investment of present carriers, the estimated charges by water likewise provide for a reasonable income on the total estimated investment of the water carrier.

Madam President, in the statement of minority views is the following paragraph:

Comparison is made between railroad rates and estimated rates on water-borne traffic. Railroad rates are based on the cost of construction and maintenance of the railroad bed and trackage and the operation thereon of power units and freight cars hauling freight on this railroad trackage, and the paying of vast sums in taxes and the supporting of hundreds of thousands of men and women receiving a good living wage and operating under regulated conditions. These factors go to the making of the rate of the railroads which, with their dependability and speed of movement of freight, have been not only invaluable but an absolute necessity to our great war effort.

That is the end of the quotation from the minority views at that point; but by way of comment the paragraph includes five more or less unrelated allegations

which may best be separated and dealt with.

First. That railroad rates cover full costs including rights-of-way, roadbed, and trackage.

It is true that railroad revenues must, in the aggregate, cover all expenses, including a return on investment, if the enterprise is to prosper. Railroad rates on specific commodity movements do not usually bear any direct relationship to the cost of carrier service. They are maintained, with the approval of the regulatory agencies, rather on the principle of the value of carrier service, which is the one way of describing the highest rates that the various shippers can pay without being driven to seek some alternative agency of transport.

Second. That railroads pay taxes. One of the essential characteristics of rail transportation is that the carriers own, occupy, and put to exclusive private use, extensive areas of valuable real property, which otherwise could be put to different useful purposes of a tax-yielding nature. On the other hand, one of the inherent advantages of water transportation is that commercial carriers do not occupy or need exclusive roadways for their line-haul operations, but instead share with other craft, and for other public purposes, the natural, traditionally tax-free water courses, improved by and belonging to the Nation at large. They do not pay taxes on those waterways because they do not own or monopolize them, and their occupancy does not withdraw those channels from any possible alternative use that would bring tax returns.

Third. That railroads support many employees at high wage rates. Water carriers also employ all the skilled labor needed for their operations on well-regulated hour schedules and at liberal and attractive wage rates.

Fourth. That rail carriers move freight at higher speeds than do water carriers. The speed of barge transport is, like its cost, much more moderate than that by rail. Perishables and other goods requiring speedy delivery normally seek airways, highways, or railways in preference to waterways. However, a large proportion of the Nation's freight burden does not need such expeditious handling, but is suited to barge transportation where it can be moved economically and efficiently; and where the desired commodity movements are so adapted, the savings in transportation costs are genuine and substantial.

Fifth. That railroads render indispensable service in wartime. The fact that railroads concededly render essential war service should not in any way preclude recognition of the essential character of waterway transportation service in war. The present emergency has shown the vital necessity for both kinds of transportation. Utilization of inland river boat yards for the construction of approximately 1,700 seagoing fighting ships and their movement downstream to the Gulf for placement in commission, when coastal shipyards were operating at capacity, made a contribution to the war effort sufficient by itself to justify the waterway system.

Madam President, the statement of minority views continues to discuss a number of matters of the same general type. In order to conserve the time of the Senate I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the quotations from the minority views. I have prepared such copy, as well as my comments upon the quotations involved, and I will supply a copy of them to the Senator from Wyoming [Mr. ROBERTSON] if he so requests.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### MINORITY REPORT

In arriving at the transportation rates of water-borne traffic, no consideration is given to the hundreds of millions of dollars expended by the Federal Government to construct these waterways and no consideration is given to the millions of dollars of annual maintenance cost paid by the Federal Government. The only item taken into consideration in arriving at the estimated freight rates of water-borne traffic is the cost, maintenance, and operation of a towboat and a string of barges. On this basis the so-called benefits of water transportation are arrived at. The great costs for the construction and maintenance of waterways to the taxpayers are wholly omitted.

#### COMMENT

In arriving at the transportation rates of waterborne traffic the only items taken into consideration are the cost, maintenance, operation, and profit on the operations of the towboats, barges, and terminals because these are the only items that enter into the establishment of water rates. These rates, however, constitute only one element in weighing the justification of waterway projects. It is incorrect to say that the costs for construction and maintenance of the waterways to the taxpayers are omitted from the computations of net benefits.

Waterway costs include all the items stated but must necessarily be segregated according to the directives of Congress between water carrier operating costs and waterway improvement costs. (See River and Harbor Act approved March 4, 1913.) The water carrier operating costs include the capital cost, maintenance, and operation of towboats, and "strings of barges" as stated in the minority report. The Interstate Commerce Commission concurs in the method of computing these carrier costs, as indicated in its analysis of the Army Engineers' Lake Erie-Ohio River report, 235 I. C. C. 790, October 3, 1939, where it is concluded: "that the line-haul and terminal costs seem to have been reasonably determined in the light of the various contingencies to be considered."

The estimated cost for that improvement, which includes the construction, operating and maintenance cost of the waterway is given on page 17, House Document No. 178, Seventy-sixth Congress, first session. By means of the segregation, water-carrier operation costs are reflected in full in the barge-line rates, and the costs of the waterway improvement is set up against the savings in transportation charges. By the Army engineers' method all the items of cost are taken into account in weighing the justification of the project. A project is deemed economically justified and recommended favorably only if the annual savings exceed the annual costs. Within the annual costs are included all public costs such as interest, amortization, maintenance and operation of the navigation facilities as well as costs to local interest which result from provision of the improvement.

#### MINORITY REPORT

The Senator signing this minority report is not opposed to inland-waterways transportation, but does insist on a fair and equitable comparison of rates, based on cost of construction and maintenance, in addition to operation of the transportation system in question.

The minority is given to understand that no charges of any kind whatsoever are made to the owners of towboats and barges for construction and maintenance of these very expensive federally owned navigation channels, and the Government gets no return on its investment, and no arrangements are made for the eventual refunding of debt created.

#### COMMENT

The owners of commercial towboats and barges are not legally nor properly chargeable with the cost of improving natural public channels because they acquire no exclusive rights to their use, but merely share their occupancy with the rest of the public for other uses, and pass the benefits of their use along to the general public in the form of lowered transportation costs. (See D. P. Locklin's standard treatise on Economics of Transportation, chapter on Freight Rates and Prices, p. 98). The public thus gets adequate return in its reduced transportation bill on commodities in most general use.

In weighing the justification of projects, the Army engineers always include within the annual cost figures, interest and amortization on the investment sufficient to retire the facilities within the period of their useful life. The refunding of the public debt is considered to be accomplished by the public savings in transportation charges which must be great enough to offset all items of cost.

#### MINORITY REPORT

This demand for an equal basis of comparison applies to all inland waterway transportation projects, of which there are a number in this bill. One illustration alone will be sufficient, as it applies equally to all others.

The Beaver-Mahoning Rivers: This project envisions the construction of a 12-foot channel, 200 to 250 feet wide in the Beaver and Mahoning Rivers in the States of Ohio and Pennsylvania. It was the original intention that this project should connect the Beaver-Mahoning Rivers with Lake Erie, but that idea has been abandoned, at least for the present time. In this bill the project calls for the construction of a dead-end channel from the point where the Beaver-Mahoning Rivers enter the Ohio River, to a point 35 miles north at Struthers, Ohio, in the Youngstown area. The main object of this project is to provide a navigation channel from the Ohio River to Struthers, apparently to enable the large steel companies in the Youngstown area to obtain their coal supply by water transportation, in contrast to the present method of unloading the coal barges at a point on the Ohio River into railroad freight cars, and then hauling by railroad the 35 miles north to Youngstown. The estimated Federal cost of this project is \$38,500,000 and with an annual maintenance charge of \$630,000 for this 35-mile-long dead-end canal. There is a further cost of approximately \$30,000,000 to be borne by local contributions. In all, this project will need \$70,000,000 for construction, and an estimated \$630,000 for yearly maintenance.

#### COMMENT

The main object of the Beaver-Mahoning project is to afford means of moving cheaply by water, instead of expensively by rail, the materials essential to the industrial life of the Youngstown area. Rail charges on the movement of fuel and some of the other necessary raw materials into this area are levied at rates per ton-mile far in excess of the average charges for the service in this and other general industrial regions. The



steel companies operating in this area own large industrial developments in other areas already accessible to water transportation. In normal times, they are in a position to select the fields of their major manufacturing processes in accordance with the relative economic advantages of the several sites. The eight-hundred-odd thousands of population of the Youngstown area, together with their investments in accessory mercantile and business and urban development, however, cannot shift about from place to place but are dependent upon the maintenance of industrial activity in these particular localities. And in order to insure its continuance discriminatory inequalities in transportation rates on essential materials must be removed.

The waterway project is designed to extend the accessibility of barge transportation, already available to most of the steel industry in neighboring areas, to the Youngstown area with a further saving in transportation costs.

The latest report recommending this project estimates the costs to local interests at about \$3,900,000. If the larger figure used in the minority report is intended to cover the cost of terminal and other accessory facilities, it should be pointed out that terminal charges sufficient to cover the overhead and operating costs of the necessary terminals are included in the computations determining the benefits.

#### MINORITY REPORT

In figuring the estimated subsidized water transportation rates as compared with the existing railroad rates, it must be borne in mind that the railroad rates—as pointed out earlier in this report—are based on total construction cost and maintenance of railroad bed and trackage, plus equipment costs and operating charges, whereas the rates on subsidized waterborne traffic are based solely on floating equipment cost and their operating charges.

#### COMMENT

Rail rates are increased or depressed without compensating fluctuations in the cost of providing the service for the purpose of driving out competition wherever it is encountered. Rail rates are frequently depressed below service costs between existing waterway ports to discourage barge competition, the revenue burden being transferred to such portion of their rate system as is not subject to competition. This practice gives rise to such rate inequalities as now penalize the off-river Youngstown area to the advantage of industrial communities along the existing waterway system. Rates on coal to the Youngstown area run as high as 22 mills per ton-mile, while averaging in the neighborhood of 8 mills per ton-mile for the region as a whole.

On the other hand, water carriers have no such blocks of traffic not subject to competition and hence must maintain all of their rates on a fair compensatory basis. Savings in transportation by water result from the genuine economy in the cost of the service, and in providing waterways at public expense the taxpayers are but reducing the cost of commodities to themselves.

#### MINORITY REPORT

The Army engineers are the technical division planning all the various projects in this bill. They give the estimated cost of the various projects and an estimate of the supposed benefits based upon rate comparisons which totally disregard construction cost or the maintenance of the waterway system.

These inland waterways can be made an important and valuable adjunct of our transportation system, but to arrive at this desirable end, the Army engineers must put forward a comprehensive plan to cover all these subsidized inland waterways. There

was no such plan put forward at any of the hearings on this bill. The signer of this minority report asks that before these or any future subsidized inland waterways are authorized, that the Army engineers prepare a complete and comprehensive plan of the entire waterways of the United States, existing and projected, and that a copy of such complete plan be supplied to every Member of Congress. In view of the multiple-use nature of the water of the country to be used in certain of the projects in this bill, it is suggested to the Senate that a great comprehensive survey of all water supplies, existing and potential, throughout the United States be made by a joint body, consisting of reclamation engineers, Army engineers, and representatives of the Geological Survey. This is not only an urgent and vital matter to the arid and semiarid West, but to the generally water-complacent East and South, which obtain a large percentage of their water supply from underground sources.

A project is recommended by the Army engineers only if the annual benefits exceed the annual costs. Within the annual costs are included all construction costs, capital charges, maintenance and operation, depreciation, amortization, cost to local interests, and so forth. No cost is disregarded.

The Army engineers, in the surveys authorized by Congress in House Document No. 308, Sixty-ninth Congress, first session, 1927, formulated and put forward comprehensive plans for all major river systems. These "308" reports have constituted in major part, the foundation for all subsequent steps taken in cooperation by the various interested Federal agencies toward the formulation of comprehensive plans of development of all national water resources for beneficial public purposes.

From a transportation standpoint there is no common interest or connection between all of the elements of the Nation's watercourses. For instance, what connection is there between vessel traffic on the Columbia River, Oregon and Washington; fishing boat movements through Chincoteague Inlet, Va., and coal barge transportation on the proposed Beaver-Mahoning Canal? From a practical viewpoint no useful purpose is seen in calling for preparation of a single report on all the rivers of the country which would necessarily be voluminous and nothing more than a compilation of individual reports on individual waterways.

Comprehensive plans are of value only where there is a relation between the improvement and commerce on the different streams. This principle is observed in the surveys and reports of the Army engineers. Insofar as the Beaver-Mahoning project is concerned, a comprehensive study and report has been made of all feasible routes connecting the Ohio River with Lake Erie. No reason for further generalization of the problem is apparent.

Mr. BURTON. I now reach the end of my discussion of the minority views. These I believe are also well answered by a reading of the Orders and Regulations of the Corps of Engineers. Therefore, Madam President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the Orders and Regulations, Corps of Engineers, United States Army, chapter II, Navigation Surveys, paragraph 282.11, dealing with an analysis of the economic justification of the proposed improvements. These regulations provide in detail for the inclusion of interest on Federal investment, and the various factors which I have been discussing, and which can be discussed further if further question with reference to them is raised.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### ORDERS AND REGULATIONS, CORPS OF ENGINEERS, UNITED STATES ARMY

Chapter II, Navigation Surveys. Paragraph 282.11. Analysis of economic justification of proposed improvements:

(a) Reports on proposed river and harbor projects, except preliminary examinations or reviews thereof, must present two distinct and separate estimates:

1. The estimated appropriation of public funds necessary for the execution of the project and for its subsequent maintenance.

2. An estimate of the entire economic cost of the project, including interest charges and amortization set against an estimate of the benefits from the work.

(b) The estimated cost of the proposed work as set forth in a recommendation for the adoption of a project should be that defined in subparagraph (1) above. Special care must be taken to avoid confusing the economic cost as defined in subparagraph (2) with the appropriation required.

(c) In the interest of uniformity, the economic cost, by which the economic justification is weighed, should be computed as an annual carrying charge and not as a capitalized sum; and the economic benefits should be computed on the same basis.

(d) The benefits from the further improvement of a going project should include only the increased return because of the further expenditures under consideration. The fact that an improvement already made is highly valuable in affecting transportation economies is not in itself sufficient grounds to justify expenditure for further improvement. Similarly, the fact that a past expenditure has not secured commensurate results is not a compelling reason against further expenditure if it can be shown that transportation savings will repay the cost of further improvement. The estimate of economic cost of further improvement will therefore not include costs already incurred by the United States.

(e) On large projects the following items should be included in the economic cost, so far as applicable:

1. Federal investment:

(a) Estimated expenditure by the Engineer Department for new work of construction and for lands, easements, and rights-of-way.

(b) Estimated expenditure by other Federal departments for new work entailed by construction, such as aids to navigation.

(c) Total Federal first cost.

(d) Interest during construction: 3 percent of item (c) for one-half of the estimated construction period.

(e) Total Federal investment.

2. Federal annual carrying charges:

(a) Interest: 3 percent on item 1 (e).

(b) Amortization of obsolescence and depreciation.

(c) Increased cost of maintenance and operation.

(d) Total Federal carrying charges.

3. Non-Federal investment:

(a) Funds to be contributed.

(b) Value of lands and rights-of-way to be furnished.

(c) Reconstruction or alteration of bridges or other structures (when not included under 1 (a)).

(d) Cost of new terminals to be provided by public agencies.

(e) Total non-Federal first cost.

(f) Interest during construction on item 3 (e) at 4 percent for one-half of estimated construction period.

(g) Estimated remaining value of works owned by local interests and scrapped on account of project.

(h) Total non-Federal investment.

4. Non-Federal carrying charges:

(a) Interest at 4 percent on item 3 (h).

(b) Amortization of depreciation and obsolescence.

(c) Increased cost of operation and maintenance of structures.

(d) Loss of taxes on lands and property transferred to Federal ownership.

(e) Gross non-Federal carrying charge.

(f) Net estimated return from public terminals, etc., included in investment cost (to be deducted).

(g) Net non-Federal carrying charge.

5. Total carrying charge (item 2 plus 4):

(f) Amortization: The item for amortization should be determined from a careful analysis of the useful life of the project and its major parts. Except at well-established ports having a general trade, the usefulness of channels and other apparently permanent works cannot be expected to extend indefinitely. Many works heretofore constructed for benefit of the lumber trade, for sailing vessels, etc., have been abandoned. It appears highly probable that improvements made on oil ports will cease to be useful at some future time. With few exceptions, the useful life of river and harbor improvements of a permanent nature should not be taken at more than 50 years and in many cases should be a shorter period. The life of movable parts of works and of steel and wood construction will ordinarily not exceed 25 years and may be less. The useful life of the various major parts of the structure, or of the work as a whole, should be analyzed, and the amortization determined for Federal works as an annual charge which, compounded at 3-percent interest as given in standard tables, will repay the cost of the project, less any amounts which may be recoverable from tangible property and structures at the end of the amortization period. Thus, for a lock and dam, the amortization charge might be:

Fixed parts, 40 years life: 1.33 percent annually.

Movable parts, 25 years life: 2.74 percent annually.

The estimated charge for parts which would have a shorter life than that of the whole project would be required for major replacements and should be combined with the estimated cost of maintenance and operation, (e) (2) c, to obtain the estimated appropriation of public funds necessary for the subsequent maintenance of the project, item (a) (1). The amortization cost to be included in non-Federal carrying charges should be similarly analyzed, but be based on 4 percent interest, compounded.

(g) On some projects certain of the items listed may not apply. Interest during construction need be included only when the anticipated construction period will exceed 1 year. On projects for the improvement of existing works, where the benefits will accrue as the work proceeds, the interest during construction should be omitted. A flat charge of 4 percent for interest and obsolescence and depreciation may be made on minor works.

(h) If the proposed improvement involves the advance replacement of an existing structure of a going project, the total Federal investment, item (e) (1) e, should be reduced by an amount equal to the estimated accumulated amortization charges for the existing structure, due consideration to be given to the original cost, period of service and useful life. The carrying charges for the new work will accordingly be estimated as the amount in excess of the carrying charges for the existing structure, and the benefits for comparison should include only the increased return because of the new improvement. The present value of advanced replacement, betterments, etc., should similarly be deducted from the non-Federal investment.

(i) The value of the benefits from an improvement must be based on sound judgment. Where the improvement is clearly justified in the interest of safety and convenience of established navigation, no at-

tempt need be made to set up a theoretical money value of the benefits. For example, the benefits from the removal of a hazard to shipping should not be measured by the average damage caused by such a hazard, but on sound business judgment as to whether the work is worth the cost. On the other hand, the benefits in the savings in the cost of transportation as set up by proponents of a project must not be blindly accepted, but must be analyzed and verified in the light of benefits actually realized in the use of similar improvements already made.

(j) When the improvement proposed is the establishment of a new route of inland waterway transportation, or a major extension of existing inland waterway routes or a new port, etc., an exhaustive survey and analysis of the amounts of commerce that would use the waterway must be made, and the savings in cost of transportation as compared with the cost by present routes determined. Only those commodities which experience shows will actually move by water should be included. In determining the amount of prospective commerce, due cognizance must be taken of the fact that for small shipments, the convenience, time, and assurance of delivery may outweigh the consideration of cost. When the prospective commerce includes movements over connecting waterways the report will include a full description of such waterways and of the type of traffic they carry and a statement as to their adequacy for the prospective commerce. If the proposed improvement will develop new waterway movements that extend to existing waterways, the estimated saving for the complete water movement will be included as a benefit, and no part of such saving should be deducted on the theory that it should be assigned to the connecting waterway. On the other hand, when a proposed improvement will result in the extension of waterway movements already developed, only the savings which result from the extension of the movements should be included as a benefit, and no part of the saving already being realized by movement on the existing waterway shall be included as a benefit for the new improvement.

(k) In the final analysis, the probable transportation charges by water should be compared with the present transportation charges actually paid by the public. Since the present transportation charges presumably provide for a reasonable income on the total investment of present carriers, the estimated charge by water should likewise provide for a reasonable income on the total investment of the water carrier. All terminal and transfer costs and any storage charges while awaiting transshipment should be included. The estimated water transportation charges should be fully checked against the actual charges under parallel conditions. The adequacy of the proposed waterway for the transportation of commodities at the costs set up in determining the benefits must be carefully verified.

(l) A favorable recommendation will be warranted only when the estimated benefits show a substantial margin over the total estimated carrying charges, due regard being had to intangible and collateral benefits. This margin should be sufficient to absorb the carrying charges which may accrue during the development of commerce on the improvement and leave a net return to the public because of the improvement.

Mr. BURTON. Madam President, I now direct my attention to the demonstrated benefits which would be experienced from operation of the proposed canal. In the engineers' report of 1934, at pages 12 to 14, the Board of Engineers states that the saving would be \$3,120,400. That sum represents the difference between railroad costs and water trans-

portation costs. But I wish to emphasize that not only would that be the saving as is shown by the computation, but that it is an extremely conservative one. In reaching the conclusion set forth in the report, separate public hearings were held before the district engineer, division engineer, and the Board of Engineers. They also sent representatives into the field who carefully checked the basis for each estimate. They excluded any shipments by shippers who have expressed opposition to the canal. They also limited their estimates to instances where a saving of at least 20 percent would be disclosed. These eliminated the close questions or doubtful cases.

Madam President, at the end of the pamphlet which has been placed on the desks of Senators there are shown several pages in detail on which these savings are based. Comparisons are made between the estimates made by various people. The result is a conservative one. For example, in the estimate of the tonnage which would be moved by the canal, the Youngstown Chamber of Commerce estimated 9,180,700 tons of freight. The United States district engineer estimated 5,605,000 tons. Colonel Barden, who made an independent investigation, estimated 6,350,000 tons.

In order to be conservative, the Board of Engineers made an estimate far below that of the Youngstown Chamber of Commerce—even below that of the independent investigator—and estimated the amount to be 5,970,000, or approximately 6,000,000 tons, which, under the circumstances, is an extremely conservative estimate. I again refer to the comment made by the Interstate Commerce Commission that the reports as related to the through waterway indicate that the estimates as made by the engineers would probably be doubled.

Furthermore, as appears on the last page of the pamphlet on the desks of Senators—

The above estimate is based on commerce during the years 1929 and 1930. Considering the rate of growth of the steel industry from 1900 to 1930 it seems reasonable to predict that by 1940 the tonnage and savings will be not less than 125 percent of that estimated above or 7,500,000 tons with savings from \$3,500,000 to \$4,000,000 annually.

The trend since then has been up, not down.

As further bearing upon the conservativeness of this estimate, in estimating what the cost of water transportation would be, the Board of Engineers used 5 mills per ton-mile as the cost of water transportation on the Ohio River and 7½ mills per ton-mile on the Beaver and Mahoning Rivers, whereas the Dravo Corporation, which is actually carrying on this kind of transportation at the present time, does it for 3 mills per ton-mile.

As bearing still further upon the conservativeness of the figures I cite the fact that in 1941 Colonel North, representing the Board of Engineers of the Army, when asked what the savings would be if the canal were built in that year, estimated them not at \$3,120,000 but at \$4,618,000. And in the 1944 testimony which was taken before us this



year, at page 107, Major General Robins, speaking for the Board of Engineers, said this about these rates:

Senator OVERTON. What have you to say as to the ratio of cost to benefit, General? Are they increased since this report, one way or the other? Of course we have the costs, now. The question is, are the benefits increased or decreased?

Major General ROBINS. I should say they are increased, Senator, because I think the need for this waterway has increased. The great development that has been made during the last few years in the vicinity of Youngstown, I think, emphasizes the importance of the project.

Senator OVERTON. There has been an increase of tonnage?

Major General ROBINS. There has been an increase of tonnage, and an increase in the importance of the tonnage to the country.

Also at the hearings in 1944, at page 108, in answer to a question that I asked Colonel Feringa, he further emphasized the conservativeness of these figures. My question was as follows:

In connection with your estimated prospective tonnage you base your estimates of the benefits upon, could you explain the basis used there to show whether it is a conservative basis of estimate or not?

Colonel Feringa replied:

I am talking from memory. That is given in the report in detail. It was very conservatively estimated. Like all our analyses of prospective tonnage, we got in touch with the prospective shippers. \* \* \* I think we took something like 60 percent of that prospective tonnage. The analysis was made during the years when there wasn't as much production as later, and we did not include in that tonnage the probable tonnage that the interests that are opposed to the canal will ship. I think the estimate is extremely conservative.

That brings me to the question of the estimates of cost. I have already placed in the RECORD the rules which govern the engineers in making these estimates. They are a guaranty of their conservative nature.

On page 15 of the pamphlet which appears on the desk of Senators there is a tabulation of annual costs. It is broken down in detail; it is taken from House Document No. 277, Seventy-third Congress, page 12, paragraph 29, and I ask unanimous consent that it may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table is as follows:

Based on the total construction cost, the Board of Engineers estimated the annual cost as follows (see H. Doc. 277, 73d Cong., 2d sess., p. 12, par. 29):

To the United States:

Interest at 4 percent on first cost	\$1,480,000
Obsolescence at 0.42 percent of first cost	155,000
Maintenance of channel, 2½ percent of original cost	300,000
Maintenance and operation of seven locks and dams at \$40,000	280,000
Maintenance and operation of two reservoirs (Berlin and Milton)	20,000
Maintenance and operation of two railroad bridges	40,000
Total	2,275,000

To local interests:

Six percent interest on first cost (no maintenance or amortization included)--- \$600,000

Grand total----- 2,875,000

Mr. BURTON. There again I wish to comment on the extreme conservatism of the figures. The total is \$2,875,000, which is substantially lower than the \$3,120,000 I have just mentioned as the gross saving, and the figure, \$3,120,000 could well be moved up many hundreds of thousands of dollars on a fair basis and the figure \$2,875,000 could well be reduced.

I can demonstrate the conservativeness of these in many ways: It appears that interest is computed at 4 percent on first cost to the United States. The revised calculations of the engineers have now reduced that to 3 percent.

On the question of obsolescence, however, this change of interest has a reverse effect on that particular item. If, in computing an obsolescence item, the interest is to be compounded at 3 percent instead of 4 percent, the resulting annual allowance for obsolescence would have to be a little larger than that shown in the table. This increase, however, would not equal the reduction in the first item.

Coming to the next item, that of maintenance of channel at 2½ percent of original cost, I may point out that that is an extremely liberal maintenance charge, so liberal that in fact, in the opinion of the engineers, it eliminates the item of depreciation, because on that basis the canal would be in a hundred percent condition at all times.

On the next item, maintenance and operation of seven locks and dams at \$40,000 per lock and dam, the number of locks and dams has been reduced to six, and therefore it will be necessary to reduce that item by at least \$40,000.

For maintenance and operation of two reservoirs, the one at Berlin and the one at Milton, that item can now be omitted, because those reservoirs are to be operated for flood-control purposes, and will be otherwise charged.

Similarly, turning to the charge to the local interests, that is computed at 6 percent interest on the first cost. I may say that, under their procedure, the engineers now have reduced the 6 percent rate of interest here used to 4 percent. Also at the time this computation was made the capital cost to the local interests was estimated at \$10,000,000, whereas now it is estimated at about \$3,900,000.

This amply demonstrates the extreme conservativeness of the figures on this particular feature of the project.

Now I may point out that there were included in the construction costs items which are based upon 1938 and 1940 rates of wages and costs of construction. This is a sound basis for the estimate as a post-war project. As a matter of fact it is the estimate used throughout the engineers' reports. If it is to be criticized here as an estimate of post-war costs, then every project before the Senate would have to be modified accordingly.

When we come to the question of harbor facilities and facilities for unloading,

I point out that they are amply provided for in House Document No. 277. At paragraph 30 it is expressly stated that—

The cost of terminals and transfer facilities, which is not included in the above statements of cost, has been taken into account in estimating the savings by including in the costs of transportation by water, terminal and transfer charges sufficient to pay for interest and operation on these facilities.

The item of interest during construction is omitted in this case in accordance with the regular practice of the engineers on a comparatively small project or where substantial benefits accrue as the project is being built.

I have already listed many of the users who will benefit from this canal up and down the canal. Those benefits will accrue during the construction, thereby making this item an unnecessary one.

Similarly, capital investment in floating equipment is also figured into the estimates of the rates for transportation.

That brings us to the justification of the canal based on savings, showing that the savings are far in excess of those indicated in the official report, although the official reports themselves amply justify the project on an economic basis.

I now come to a brief statement on the effect of the project on the employment of labor. The question is whether or not the project will adversely affect labor. It has been claimed in some of the discussions of this canal that somehow or other its construction might reduce employment on the railroads, or at large in the country, to greater extent than it would create employment in the operation of the canal. That is not according to the estimate of the situation as shown in the hearings in 1941. I here quote from a brief filed by J. C. Arget-singer, of the Youngstown Sheet & Tube Co., as it appears at page 57 in the House hearings of 1941, held September 30 to October 6. He said he had looked into this matter of the effect on labor in detail. The statement concludes that the building of the canal would increase rather than decrease employment. I read a few sentences from page 57, as follows:

Let us assume that 5,000 tons of coal (the actual pay tonnage is more than 5,000) are hauled on the average coal train, 6,000,000 tons divided by 5,000 tons means 1,200 trainloads. The witness says that this movement can be accomplished in 8 hours, so divide 1,200 by 3 shifts and you have 1 train operating 400 days. To provide for holidays, Sundays, delays, and breakages, let us say that 2 trains per year are necessary. Thus from a labor standpoint the work of 2 crews per year will be lost, or in the language of the railroad's own witness, 30 employees times \$1,800 per year equals \$54,000 in lost wages.

Then, on page 58, the same witness compares this with the employment which would result from the operation of the canal. I quote:

On this basis the waterway furnishes employment for 60 lock employees, 16 repairmen, and 75 employees on the towing units, or a total of 147 jobs with a pay roll of \$258,000.

The railroad jobs lost for this line haul movement are 30 crew members with a pay roll of \$54,000.

The total employment picture is benefited by the waterway to the extent of 117 jobs and \$204,000 in pay roll.

The witness continues, however, as follows:

All of this becomes very unimportant and irrelevant, however, when we consider that the drying up of this district, even to the extent of 10 percent, because of inability to compete with low-cost water transportation already given to other districts, would throw 25,000 persons out of work, destroy over a hundred million dollars of investment, impair school, county, and State bonds, close churches and colleges, and create new problems of relief. Ours is a home-owning district (steel workers here are largely home owners) and I hate to think of 25,000 families losing their homes.

I wish to add also that there testified before the Senate committee in 1944 representatives of organized labor in the steel mills and in the community at large in Youngstown. They strongly endorsed the Beaver and Mahoning Canal.

Some reference has been made, in the literature on this subject, to whether or not the National Rivers and Harbors Congress has endorsed this project. I may point out that the president of that distinguished body is JOHN L. McCLELLAN, the distinguished junior Senator from Arkansas. Its national vice presidents are the senior Senator from Louisiana [Mr. OVERTON], and three Members of the House of Representatives, Mr. WHITTINGTON, of Mississippi; Mr. PETERSON, of Georgia, and Mr. CLASON, of Massachusetts. The chairman of the board is Representative SHORT, of Missouri. I may say that the National Rivers and Harbors Congress has endorsed this project. I read from a letter of November 16, 1944, addressed to me by William H. Webb, executive vice president, containing the following statement:

The Beaver-Mahoning waterway project was considered by the projects committee, composed of a waterway expert from each of the engineering divisions of the United States, at the first meeting after its organization in the year 1935. After careful consideration of the project the committee recommended unanimously that the project be put in class I—endorsed—which means the committee is convinced that the project is sound, needful, and sufficiently advanced in status, and should be promptly constructed in the public interest. The congress in convention assembled thereupon unanimously approved the recommendation of the committee.

At the several conventions of the Congress subsequently held, including the most recent session held in New Orleans, La., July 27-28, 1944, the Congress reiterated its previous endorsement of the Beaver-Mahoning waterway.

Under our procedure a project once endorsed by the Congress upon the recommendation of the projects committee retains its status until finally constructed, unless the Congress in the meantime rescinds such action.

Project Nos. 1 and 2 having been constructed, the Beaver-Mahoning waterway retains its status as the No. 1 and first project in our highest classification as an endorsed project.

Madam President, I wish to conclude this statement as I began it, by saying that this is a proposal to retain in the program of the United States for its post-war program a project which has been repeatedly and soundly approved. The project has been approved by two boards of engineers, by three Chiefs of Engineers, twice by the Committee on Rivers

and Harbors of the House, and twice by the Senate Committee on Commerce. It has once passed the House and once the Senate. It is before us now in a form which reiterates the previous authorization, modifying it only in accordance with the recommendation of the Chief of Engineers increasing the Federal cost by a million and a half dollars, and making the money available in accordance with the final recommendation, for future use, greatly needed, as demonstrated in this statement. It is a fair and reasonable part of any post-war program that may be passed by this Congress, and in view of its repeated endorsement in the past, I trust the Senate will again endorse it today.

#### AMENDMENT OF MUSTERING-OUT PAYMENT LAW — MENTALLY DISABLED VETERANS

Mr. REVERCOMB. Madam President, on behalf of the Committee on Military Affairs, I report back favorably without amendment House bill 5408, to amend the Mustering-Out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes, and I submit a report (No. 1313) thereon.

The PRESIDING OFFICER. Without objection, the report will be received and the bill will be placed on the calendar.

Mr. REVERCOMB. Madam President, I ask unanimous consent for the immediate consideration and passage of the bill.

Mr. GUFFEY. I object.

Mr. LUCAS. What was the unanimous-consent request?

Mr. REVERCOMB. For immediate consideration of the bill. I shall be glad to make explanation of the bill if the Senator desires it.

Mr. LUCAS. I think we ought to have some explanation of the bill.

Mr. OVERTON. Madam President, may there be an explanation made of the bill before it is to be considered by the Senate?

Mr. REVERCOMB. I am proceeding to do that now, I may say to the Senator.

Mr. OVERTON. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. The subject matter before the Senate at the present time is an amendment to the river and harbor bill, and my question is: Can there be an explanation of another bill which is not before the Senate?

Mr. REVERCOMB. Of course, if there is objection, I cannot proceed.

Mr. OVERTON. Madam President, I am forced to object.

The PRESIDING OFFICER. Objection is heard.

Mr. REVERCOMB. Very well.

The PRESIDING OFFICER. The bill will be placed on the calendar.

#### RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22, relating to the Beaver and Mahoning Rivers, Pennsylvania and Ohio.

Mr. ROBERTSON. Madam President, the Beaver-Mahoning project calls for the building of a dead-end channel 12 feet deep and from 200 to 250 feet wide up the Beaver-Mahoning Rivers from the Ohio River in Pennsylvania to Struthers, Ohio, a distance of approximately 35 miles.

There are several interesting things connected with the project. The first is the 12-foot channel. The waterway is to be 12 feet deep and from 200 to 250 feet wide. Why this 12-foot channel? I think all the channels to date on the entire Mississippi water system have been 9 feet deep with the exception of some earlier ones which were made 6 feet deep and for which authorization has been sought to increase to the 9-foot depth. One of the arguments used to convert these 6-foot channels to 9 feet has been that a 6-foot channel on a 9-foot system is similar to a narrow-gauge railroad connection on a broad-gauge road. Would we be right in assuming that a 12-foot channel on the Beaver-Mahoning Rivers would throw the rest of the Mississippi canal system, that is the 9-foot channel, into the category of a narrow-gauge railroad, or is it notice that it is the intention of the promoters of inland waterways to convert the entire system into a 12-foot channel. If that is so, I think we have a right to know it.

The total cost of this canal to the Federal Government, and to the local communities, will be in round figures, \$70,000,000, of which \$38,000,000 is the proposed Federal contribution.

Why is this proposal being made and to what purposes will the proposed canal, if constructed, be put? By that I mean what is the type of freight to be hauled over it, and who are to be the beneficiaries?

As the Senator from Ohio [Mr. BURTON] stated a few moments ago, the Beaver-Mahoning project originally envisioned a canal going through to Lake Erie. That idea has apparently been abandoned in favor of this 35-mile dead-end canal. The dead end of this canal is at Struthers, Ohio; that is, in the Youngstown district, which is one of the large steel-producing areas of the country. The open end of the canal is at the mouth of the Beaver-Mahoning Rivers, where it enters the Ohio River. A little farther up the Ohio River is Pittsburgh, with its great steel industry, and most of the steel plants in the Pittsburgh area are located on the banks of the Ohio River.

Coal is a very important product in the manufacture of steel. Roughly the figures are that it takes 2 tons of coal to make 1 ton of steel. The great producing areas of the bituminous-type coal are in Pennsylvania, West Virginia, and Kentucky. In the case of the Pittsburgh area, the coal is taken by barge up or down the Ohio River—I am talking now of what happens at present—it is shipped by barge to railroad points near the mouth of the Beaver-Mahoning at places



called Colona, Conway, and Smiths Ferry, and then transferred to railroad cars and hauled up to Youngstown and Struthers. The freight rate on this coal is 95 cents per ton from Colona and Conway to Youngstown, which includes the lifting charge.

For a long time the steel companies in the Youngstown area have been seeking to reduce this freight rate and now they are asking authorization for a Federal and local expenditure totaling \$70,000,000 in order to help them do so. I am informed also that the steel companies feel that the construction of this \$70,000,000 canal would enable them to use more coal from their so-called captive mines than they are able to do at the present time.

The evidence during the committee hearings on this bill brought out and emphasized that the authorization of this canal has been sought to enable the Youngstown steel people to get their coal at cheaper rates. In fact, we have been asked to authorize the construction of this waterway for the benefit of some three or four big steel-producing concerns.

To bear out this statement, I will quote from the testimony of Mr. Kenneth M. Lloyd, secretary, Mahoning Valley Industrial Council, Youngstown, Ohio, one of the proponents of this project. On page 115 of the hearings on H. R. 3961, part II, Beaver-Mahoning Rivers project, Mr. Lloyd said:

The principal commerce to be moved on the proposed waterway is the so-called ex-river coal which is transferred from barges at Smiths Ferry, Conway, or Colona, appearing on the map right at the mouth of the Beaver River on the Ohio River, to the railroads for shipment into the Youngstown district.

There are four railroads that traverse this district: the Pennsylvania, the Pittsburgh & Lake Erie Railroad, the Youngstown & Suburban, which is the Pittsburgh Coal Company's private railroad, and the Baltimore & Ohio Railroad. There are, of course, also excellent highways which can be used for truck hauling.

I particularly call the attention of the Senate to the Youngstown & Suburban, which is the private railroad of the Pittsburgh Coal Co. It is important, in that, being a private railroad there are apparently no published freight rates, as the operation of this railroad is confined to the business of the Pittsburgh Coal Co. It is of interest and of great importance in the whole inland waterway set-up to know that this private railroad company was refused a certificate of necessity and convenience by the Interstate Commerce Commission. The decision of the Interstate Commerce Commission in refusing this certificate can be found on pages 43 and 619, volume 150 of the Interstate Commerce Commission Reports.

This has a very direct bearing on an amendment which I submitted regarding this very important question of necessity and convenience, which Senators will find on their desks, and which I shall move for consideration when the controversial committee amendments shall have been disposed of. However, as that question, at least of necessity does come into this

picture of the proposed 35-mile dead-end canal from the Ohio River up the Beaver-Mahoning to Struthers, let us compare this with the situation of a railroad asking to build a line over this 35 miles in order to provide a further transportation system. Before a railroad can make a line extension into new territory, it must first make a showing of necessity and convenience. It must conclusively prove that the area is not now adequately served by transportation. I fail to see why a canal system should not be called upon to show necessity and convenience when authorization is sought to construct a new means of transportation into a district. Here is a small river, for which authorization is being sought to make it into a transportation system; and yet on the banks of this river for the entire 35-mile distance, four railroads are operating. There has been no complaint that the service of these railroads is deficient. As a matter of fact, there is overwhelming evidence that the railroads are doing a splendid job and are completely filling the bill so far as the hauling of coal to the steel mills in the Youngstown area is concerned. Every project in this bill should be subject to the test of necessity and convenience, and if the Interstate Commerce Commission—and this in every way is interstate commerce—is prepared to grant a certificate of necessity and convenience, then, and only then, should the Congress be asked to authorize construction of such projects.

Back of this project is another angle which is interesting, as it reveals a further illogical reasoning as to why the United States Treasury and, therefore, the United States taxpayers, should construct this dead-end canal, in order to bring coal at a cheaper freight rate to the Youngstown steel industry. As I said a few moments ago, the steel mills at Pittsburgh get their coal over the Ohio River. The Youngstown steel people feel that the Pittsburgh crowd have an advantage over them.

Mr. Lloyd, in his testimony on page 119 of the hearings, stated:

We are not asking for anything which has not been provided to our principal competitors on the Ohio River. We have never appeared in opposition to any project designed to benefit our competitors by reducing their assembly costs on raw materials.

I call particular attention to the words "designed to benefit our competitors." Of course, the inference is natural, and the statement is clear, that the channels in the Ohio River were largely constructed for the benefit of the big steel companies.

Mr. President, in support of this contention I hold in my hand a magazine called *Waterways*. It was sent to me with the compliments of the National Rivers and Harbors Congress, and is a marked copy. I take it that the National Rivers and Harbors Congress is the organization to which the distinguished Senator from Ohio referred. The marking calls attention to page 11, and to some 6 succeeding pages. On those pages there are some excellent photographic reproductions of water transportation, and being naturally interested in this rivers and harbors bill, and all that had

been said about the great advantage which would accrue to the people from the construction of various waterways, it was most enlightening to read the caption under various pictures.

The first shows the Wheeling Steel Corporation's steam towboat *Carbon*, and barges.

The second shows the steam towboat *Charles T. Campbell* of the Campbell Transportation Co. My information is that the Campbell Transportation Co. was recently purchased by the Mississippi Valley Barge Lines, a common carrier barge service, and is, therefore, a carrier-owned barge line.

The third shows the *C. W. Talbot*, of the Union Barge Line, is a steam towboat of 775 horsepower, and we are advised in the caption that she is a sister ship of the *Sam Craig* and the *J. D. Ayres*. I am advised, according to the records of the Interstate Commerce Commission, that 87 percent of the stock of the Union Barge Line Corporation is owned by the Dravo Corporation, a large sand and gravel company engaging also in machinery and shipbuilding.

The fourth shows a Diesel towboat, *The Tri-State*, of the Ashland Oil & Refining Co.

The fifth shows a picture of the steam towboat *Titan* pushing a string of barges. The *Titan*, according to the caption, belongs to the Jones & Laughlin Steel Corporation.

The sixth shows the Carnegie-Illinois Steel Corporation steam towboat *Lamont Hughes*.

The last one shows a very big affair of 1,200 horsepower pushing 18 barges and called the *City of Pittsburgh*, of the Ohio Barge Line, a subsidiary of the United States Steel Corporation.

Madam President, we have a right to ask, For whom are these waterways being built? Who is benefiting by them? From the photographs in that article, I should say—and this article was sent to me by the Rivers and Harbors Congress—that if these photographs show a relatively correct proportion of the ownership of barges—and there is no reason to doubt that they do—then, on that part of the water transportation system on which they operate, the great majority of the towboats and barges are owned and operated by the big corporations.

Madam President, we have a right to ask and at the same time to consider most seriously, Are we going to build and maintain a Federal transportation system, and are we going to spend millions of dollars of taxpayers' money to build and subsidize a transportation medium for the benefit of large corporations operating in this country?

I repeat, Madam President, that I hold no brief for the railroads. I hold no brief for the trucking companies. The latter enter very little into this picture, as the type of freight hauled by water transportation is hardly the type that would be possible on the highways of the Nation. Be that as it may, in order to form a fair, just, and equitable comparison of rates of hauling as between any two systems of transportation, the initial costs and maintenance should very definitely be taken into

consideration, and particularly where in one case the cost of construction and maintenance of the transportation facility is undertaken by the Federal Government, as compared to the other case, where the transportation system has been built up over many years by private enterprise and devoted to public service.

As further evidence that this is purely a project for the benefit of the large steel companies, I again quote Mr. Lloyd. The chairman of the subcommittee, the Senator from Louisiana [Mr. OVERTON] asked Mr. Lloyd:

Well, now, what industries in and around Youngstown would be serviced by this channel?

Mr. LLOYD. I am very happy, sir, that you asked the question. I would like to say that, according to the American Iron and Steel Institute, the following companies are listed as basic steel-producing units in the Youngstown area: the Carnegie Illinois Steel Corporation, the Youngstown Sheet & Tube Co., the Republic Steel Corporation, the Sharon Steel Corporation, the Struthers Iron & Steel Co., the Copper Weld Steel Co. at Warren.

Mr. Lloyd further stated that the Copper Weld Steel Co. is an organization which uses electric furnaces and, as a result of that fact, it depends for its fuel on electricity. Mr. Lloyd further advised the committee that he was prepared to introduce a representative from each one of these companies as proponents of this project.

The first of these representatives of big steel companies to be introduced by Mr. Lloyd was one J. C. Argetsinger, vice president and general counsel, Youngstown Sheet & Tube Co., Youngstown, Ohio. Mr. Argetsinger had some most interesting things to say. I shall not take up the time of the Senate to go over his testimony to any great extent, but I do wish to call attention to a statement he made on page 127 of the hearings:

Competition, of course, is dog eat dog, every man for himself, and in this case it is simply one steel company fighting to see that another competing steel company does not receive the same advantages that he has.

The case referred to in this statement is, of course, the authorization for the building of this 35-mile long dead end canal on the Beaver and Mahoning Rivers.

Madam President, this project or the authorization for it has been sought for sometime previously, and House Document 277 of the Seventy-third Congress, second session, contained the reports of the man who at that time was division engineer, Col. R. C. Moore, and the man who then was district engineer, Maj. W. D. Styer. I should like to have the Senate listen what Colonel Moore stated in paragraph 28, page 23:

In my opinion, the Government should not undertake the improvement considered in this report. Even the total theoretical savings based on optimistic traffic prophecies are insufficient to justify the large expenditures involved. The assumption that the active available tonnage would be attracted to the rivers is untenable.

It would not be an attractive waterway. It would not afford facilities for navigation equivalent to those of the system embracing

the Monongahela, Allegheny, and Ohio Rivers. The waterway would be essentially an industrial basin serving a limited area and relatively a few industries. The improvement would be of little benefit to the general welfare of the Nation and it would not be productive of appreciable increase in national wealth through the development of national resources. It is recommended that the Federal Government not undertake improvement of the Beaver and Mahoning Rivers in accordance with the plan considered in this report.

Madam President, one very important factor to take into consideration in connection with this project is the fact that while the railroads operate year in and year out, this stub-end canal would be subject to ice, fog, and high velocity wind, so that there would be a limited operation of not in excess of 9 months. In other words, for 3 months of the year, and probably more, this means of transportation could not be utilized, and the big steel companies in the Youngstown area would again have to revert to use of the railroads to haul their coal. That would mean that the railroads would have to maintain their property and have in readiness locomotives, coal cars, and other operating units, in order obligingly to take care of the Youngstown steel companies during the period when their dead-end canal would be frozen up or otherwise out of use. But during the 8 or 9 months when the Federally subsidized transportation system would be available, the railroads, with their employees, their plants, and their equipment, would be told to stand aside.

Mr. BURTON. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BURTON. I merely wish to make sure that the Senator appreciates the fact that the Board of Engineers for Rivers and Harbors in its final reports on the project has overruled the district and division engineers on the original report, and has pointed out in the final report that the lower canal would be open 350 days of the year, and therefore there would not be any necessity for the shut-down which is indicated by the authority to whom the Senator from Wyoming has referred. Furthermore, the type of freight which would be carried would be the type which could easily be stock-piled, and therefore the railroads would not be under the necessity of maintaining stand-by service for the short canal.

The long canal to Lake Erie is something else, but the short canal would be much more open in winter than the northern end would be, and the traffic situation is such that the materials could readily be stock-piled.

Mr. ROBERTSON. Madam President, I am interested in what the Senator from Ohio has said. I hold in my hand a magazine entitled "The Taxpayers' Case Against Youngstown's Beaver-Mahoning Dead-End Canal," and in this connection I am interested to see in the magazine a photograph bearing the following caption:

The Beaver River at Beaver Falls, Pa., on January 6, 1940, where skaters are taking advantage of the thick ice to enjoy their favorite sport. During periods of this kind of

weather, all traffic on the dead-end canal will, of course, be indefinitely suspended.

The photograph shows that the river is frozen solid from one side to the other.

Mr. TAFT. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TAFT. Of course, the Senator knows that the question is chiefly one of the transportation of coal, with resultant great savings to Youngstown. Of course, the Senator also knows that the Great Lakes are frozen during winter, but all the coal which goes to the Northwest is shipped during a much shorter period—namely, a period of 9 months—and is stock-piled when it is delivered.

So, it seems to me that the very short period when the Beaver-Mahoning Canal would be frozen is certainly no objection. There is no question at all that the coal could be transported during the period when the canal would be open, as in the case of transportation on the Great Lakes.

Mr. ROBERTSON. Madam President, if this canal were for the general best interests, the project would be in a better position. But even at that it would be an unsound project. It is a plan for the financial betterment of a few large steel companies.

According to testimony presented at the hearings by Mr. Percy Tetlow, representing the United Mine Workers of America, the Youngstown Sheet & Tube Co. at Youngstown is the only plant in Youngstown of the great steel companies which could use that waterway, and that waterway alone, for transportation. Mr. Tetlow further said that the Republic Iron & Steel Corporation has great coal resources that can be moved down the Monongahela River and the Ohio River, and by this canal to Struthers, but it would not reach the Republic plants.

Mr. Tetlow continued as follows:

As an investment of money, either post-war, or now, or at any time, to my mind, it is uneconomical, unsound, and it will not be beneficial to all of the people in the communities reached by this canal. The steam coals or the heating coals that are available must be moved by rail into the city of Youngstown. This canal would not be available for that. There is approximately 7,000,000 tons of coal used in that area annually. This coal has heretofore, and now is, coming from the Ohio mines into Youngstown, either by rail or motortruck (800,000 tons).

Mr. Tetlow throughout his statement was insistent in regard to the shipment of coal that—

The shipment of coal to Struthers, Ohio, over that waterway will be almost exclusively, if it is shipped by water, to the Youngstown Sheet & Tube plants at Struthers.

What new towage or new wealth do these subsidized inland waterways produce? They produce none that I can ascertain. Their only function is to take away business, during a portion of the year, from some other transportation system which is well able to take care of that business. The railroad, as a common carrier, must at all times be prepared to accept shipments weighing from 1 ounce to a million tons. It is on the job in winter as well as in summer, in



flood time as well as in dry time, whereas in certain seasons the subsidized inland waterways may be frozen up and unable to function. They are very much a fine-weather transportation system. Even if the enemy were on our shores, and we needed additional transportation in the worst way, much of the subsidized waterways would be of no value to us during the winter months. Certainly the Beaver-Mahoning dead-end canal could not, by the greatest stretch of the imagination, be considered to be strategically important to the war effort.

The Beaver-Mahoning dead-end canal project differs from others which have been before the Senate in the past few days. In the discussions regarding the Tombigbee project, the question was raised as to justification, and in most cases the justification of costs was built up on a series of intangible assets. In the case of the Beaver-Mahoning project no intangible assets have been put forward for the simple reason that there are none.

Another striking difference between this project and practically every other project in the bill—both controversial and noncontroversial—is that this proposed 35-mile canal does not have the support of the Senators from Pennsylvania. Ninety percent of the waterway would flow through that State. The canal, as we have been told, would be approximately 35 miles long. Of that distance 31½ miles would be in Pennsylvania and approximately only 3½ miles in Ohio. I do not think it is the policy of this body to approve any canal project 90 percent of which is opposed by the Senators from the State through which the canal would flow.

I have earlier referred to the lack of intangible justification. There being no intangible assets to form the basis of a justification, let us see what are put forward as tangible assets. The approval of the committee of authorization for the construction of the canal is sought by the proponents in conjunction with the United States engineers on the basis of estimated benefits. Those benefits would be in the ratio of 1 to 1.08. That means, as I understand it, that if today it costs \$1.08 per ton to haul coal by rail from Conway, or Smith's Ferry, or Colona to the Youngstown Sheet & Tube Co., we are now asked to believe that by the construction of this \$70,000,000 canal, the water-borne freight rate on the coal from the mouth of the Beaver-Mahoning on the Ohio River up to the Youngstown Sheet & Tube Co.'s property at Struthers would be \$1, or a saving of 8 cents per ton, or in that ratio. But that in itself is definitely not sufficient to justify such a project, and particularly so when we realize the basis on which that figure is reached. The \$1.08, which is purely a ratio figure, is based, as are all railroad freight rates, on the proportional cost of the railroad bed, the rails, the locomotives, cost of maintenance, cost of loading and unloading, and the great number of men employed in such operations. In addition, there are tremendous taxes which the railroads of the country are called upon to pay. All those factors enter into the

making of the rate. On the other hand, the rate of \$1 is based apparently only on the costs of a tugboat, a string of barges, the operation and maintenance thereof, and the comparatively small amount of taxes which would be payable on a tugboat and barges, and no consideration whatsoever is taken of the \$70,000,000 investment, with an annual upkeep of more than \$2,000,000 a year, including \$630,000 for the local authorities.

As one very much opposed to unlimited Federal expenditures, I suggest that rather than approve this authorization, the Federal Government should build another railroad, paralleling the proposed 35-mile waterway. A very good double-track railroad could be built for between five and ten million dollars, and the annual upkeep of such a railroad would not exceed \$150,000 a year. It would be very much to the taxpayers' benefit to turn such a railroad over to the Youngstown steel mills, not charge them a cent for it, and keep it up for them at a cost of \$150,000 a year. In that way the Federal Government and local interests would save \$60,000,000 on original costs and at least \$1,800,000 annual upkeep costs as compared with the waterway.

I am not advocating the construction of such a federally owned railroad, but am merely using the suggestion for a comparison, to illustrate the inequality of the basis of calculation for freight rates as between the two systems.

The construction, maintenance, and operation of waterways in a country barren of railroads can be justified, but when it is proposed to spend vast sums on construction or deepening of a channel to permit water-borne transportation or a river, on either bank of which there is a modern railroad equipped to handle all available traffic, the justification is a different and much more difficult matter.

I hold no brief for the railroads, but with the vast majority of my countrymen I take my hat off to them—both management and labor—for the magnificent job that they have done and are doing.

We must never lose sight of the importance of our railroad system during wartime or great emergencies. No illustration is more convincing than that which happened to the Russian railroad system, particularly in view of the fact that Russia is frequently quoted as an example for expansion of inland waterway construction. Russia developed her waterways system because she lacked an adequate railroad system. Yet during the German army advance into Russia as far as Stalingrad, the limited railroads that are in Russia, and not the waterways, were the controlling strategic factor; in fact, so important were the railroads to their military operations that the German Army converted the Russian broad gage railroad track—approximately 5 feet—to the German standard gage of 4 feet 8½ inches in order to move their troops and equipment efficiently.

Reversing the picture, as the Russians gallantly drove the Germans back across the Dnieper and Dniester Rivers, it was

necessary for them to change the gage of their railroads back to their broad gage in order to supply their forces.

There is no finer railroad system in the world than that which we have in the United States. It is a system built up by private enterprise, and devoted to public service under Federal regulations.

I am an advocate of a powerful United States of America after this war. I advocate that we must maintain the framework of a great army, a great navy, a mighty air force, and a great merchant marine. I believe that possibly our greatest contribution in Congress is to make definite and certain that those four great vital forces of our Nation are backed by the greatest, most efficient system of railroads and highways throughout the country. I feel that the Congress of the United States would not be doing its duty if it permitted the passage of any legislation which would in the slightest degree reduce the efficiency and operative capacity of our railroads and highways.

Unnecessary paralleling, competing, part-time operating systems, constructed by the Federal Government, tend to weaken our great railroad systems, and anything that will weaken that integral part of our national defense system must be considered in the light of being unsound.

I am not arguing that a water transportation system cannot be made a valuable adjunct to our national defense and to a general economical transportation system, but I am opposed to vast sums from the Federal Treasury being used to construct and maintain a system in order to place the large corporations of this Nation in a favorable position as compared with their competitors or with small business. The federally subsidized waterways of this Nation are for the big shipper. The small businessman and the poor man have to rely on the railroads and the motortrucks for their transportation facilities.

Mr. President, I have no interest in Ohio or in Pennsylvania, beyond an admiration for two great States. I have no interest in any railroad company in this country or in any other country. I have no interest in any trucking company. As a member of the subcommittee of the Senate Commerce Committee appointed to conduct hearings on the pending river-and-harbor bill, H. R. 3961, I formed the very definite opinion that this project is not sound, no matter from what angle it is approached.

I wrote and submitted minority views dealing with the Beaver-Mahoning project and the Missouri River project, in the latter case, largely on the question of the beneficial use of waters in the arid and semiarid States of the West.

I was convinced during the hearings that the Missouri River question could be worked out to the satisfaction of all parties. Happily this was possible, and the amendments which were incorporated in the flood-control bill, H. R. 4485, dealing with this matter, are now incorporated in the pending river-and-harbor bill.

As I have said, the other part of my minority report dealt with the Beaver-Mahoning project. As a member of the

subcommittee, I attended practically every hearing and listened most attentively to everything that was put forward pro and con.

As a completely disinterested party, I came to the conclusion that this project could not be justified, and I ask the Senate to vote to reject it.

The PRESIDING OFFICER (Mr. WHERRY in the chair). The question is on agreeing to the committee amendment.

Mr. DOWNEY. Mr. President, I desire to make a request of the Senator in charge of the bill. I have two amendments to offer, involving merely survey items, routine matters.

Mr. HILL. The distinguished Senator from Louisiana [Mr. OVERTON], in charge of the bill, was called from the floor for a few moments on important public business. I wonder if the Senator would withhold his request until the distinguished Senator from Louisiana returns.

Mr. DOWNEY. Of course, I shall be glad to do so.

Mr. DAVIS. Mr. President, I shall be brief, because I believe the subject matter of the pending amendment has been discussed fully. I wish, first of all, to compliment the junior Senator from Wyoming [Mr. ROBERTSON] for the splendid way in which he has presented the minority views of the committee.

Mr. President, there is included in the pending bill an amendment to which I and the overwhelming majority of the people of Pennsylvania are unalterably opposed. I refer to the amendment which provides for the construction of the so-called Beaver-Mahoning canal, extending from the mouth of the Beaver River in Beaver County, Pa., to Struthers, Ohio, a distance of 36 miles, 31 of which miles lie within the territorial limits of the Commonwealth of Pennsylvania.

I have discussed this proposition with many interested parties, both within and without the State of Pennsylvania, and, in addition, I have received numerous letters, telegrams, and other communications, all of which embodied sound reasons for opposing the construction of this proposed canal at a cost to the American taxpayers of more than \$70,000,000.

The reasons for my opposition to the construction of the proposed canal are as follows:

First. The proposed canal would be prejudicial to the public interest and would benefit no one outside the Youngstown district.

Second. The Youngstown district and the two steel companies asking for this practically \$70,000,000 gift from the American taxpayers is preposterous. They do not need the canal in order to survive or to meet their competitors upon a basis of full economic equality.

Mr. TAFT. Mr. President, will the Senator yield a moment?

Mr. DAVIS. I yield.

Mr. TAFT. Is not the Senator mistaken in referring to this as a \$70,000,000 project?

Mr. DAVIS. I think not; that was the testimony before the committee itself.

Mr. TAFT. But the canal we are discussing is a canal to Youngstown, which

is to cost thirty-eight and a half million dollars, not \$70,000,000.

Mr. DAVIS. No; I understand it will cost \$2,000,000 a mile, and the statement was made, as the record itself shows, that it would cost \$70,000,000.

Mr. TAFT. The Senator is referring to the canal which goes through to Lake Erie and which the Pennsylvania people were supporting.

Mr. DAVIS. No; the canal which goes through to Lake Erie would cost \$200,000,000. I think the Senator is not correct.

Mr. BURTON. Mr. President, will the Senator from Pennsylvania yield?

Mr. DAVIS. I yield.

Mr. BURTON. I think the record is incontrovertible that the report of the engineers showed that they estimated the Federal expenditure on the canal would be thirty-eight and one-half million dollars, and the local expenditure would be \$3,900,000. I understand that in the Pennsylvania literature it is estimated there would be some additional expenditures, but I do not know what they are. They were not of the Federal Government, but were of local interests.

Mr. GUFFEY. Mr. President, I should like to ask the Senator from Ohio a question.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield in order that his colleague may ask the Senator from Ohio a question?

Mr. DAVIS. I yield.

Mr. GUFFEY. Were not the figures the Senator quoted, the \$38,500,000, based on costs in 1938?

Mr. BURTON. That is correct.

Mr. GUFFEY. How much have they increased since then?

Mr. BURTON. The committee went into that in detail. It was pointed out that all the projects in the bill are post-war projects. They based the figures on the 1938 and 1940 rates of wages and costs, which are the ones on which they have based their post-war estimates. When this matter was up for consideration in 1941 as a wartime project, it was estimated by the engineers that the project would cost, at the wartime rates, about \$48,000,000, but all through the entire bill the rates are on the basis of 1938 and 1940, which are accepted by the Department of Labor as being substantially the same in both those years, and they are the basis of all estimates in connection with every project; we have had this project before us as a post-war project, not a wartime project.

Mr. GUFFEY. Mr. President, I agree with my colleague that the figure \$70,000,000 is nearer being correct than \$38,500,000.

Mr. DAVIS. Mr. President, there must also be taken into consideration the expense that will be placed on the people of Pennsylvania after the work has been completed. County after county will be bankrupted in attempting to pay the cost of this canal. I do not think \$70,000,000 would cover the cost of the canal.

Mr. BURTON. Mr. President, will the Senator yield for a moment?

Mr. DAVIS. I yield.

Mr. BURTON. I do not want to take the Senator's time, but it is not contemplated that any county would be bankrupted. If the local public interests do not bear the expenses the project cannot go ahead unless other local private interests guarantee these expenses. The Government is to be protected, and then the local public interests would not be affected by it. The local communities cannot be bankrupted by the canal, because it is a condition of this project that the project shall not go ahead unless the local expenditures are provided for.

Mr. DAVIS. Mr. President, I do not so understand the situation. The people of Beaver County and Mahoning County are of the opinion that they will be put to great expense, sufficient expense to bankrupt the counties, to meet the cost of the canal.

Mr. BURTON. The Senator should recognize this point, that if there is a local expense connected with the project, there is no way that the Federal Government can make the local communities put up the money.

Mr. GUFFEY. In other words, Mr. President, the proposal is that the Government build the canal and find out later whether the local communities will put up the money.

Mr. BURTON. I think it is perfectly clear that the Government will not proceed until the money is provided or guaranteed. That is very clear in the conditions set by the engineers.

Mr. DAVIS. Mr. President, I shall continue from where I left off.

Third. The per-mile cost of over \$2,000,000 a mile would be several times greater than that of any inland waterway ever authorized or seriously considered in the United States and should of itself condemn this project.

Fourth. The Army engineers have clearly indicated they never have been satisfied that the project is economically justified.

Fifth. The cost of assembling raw materials for the making of steel is no higher at Youngstown than at the plants of most of its competitors, many of which do not have Youngstown's other advantages.

Sixth. The contention of the Youngstown steel companies that their freight rates are unfair cannot be substantiated inasmuch as the Interstate Commerce Commission repeatedly has held that their rates are reasonable and nondiscriminatory. However, these rates are again under investigation at the present time by the Interstate Commerce Commission and all action looking to the canal's authorization should cease, at least until the Commission has handed down its decision. The Commission—and it alone—should pass upon the propriety of these rates.

Seventh. This is a bold and inexcusable attempt to circumvent the findings and decisions of the Commission, which is invested by law with exclusive jurisdiction in such matters. It is an attempt to use the Army engineers both as a threat to the Commission and as a court of appeal from its findings and decisions.



Eighth. The authorization and construction of this waterway would create a dangerous and unbelievably expensive precedent, which if followed logically, would justify the construction and operation of navigable waterways with public moneys to practically every industrial district in the United States.

Ninth. The proposed dead-end canal would be extremely dangerous from the standpoint of sanitation and health to whole communities, and would destroy the values of the properties along and near its banks for residential and commercial use.

Tenth. The proposed waterway would be a menace and not an aid to national defense.

Eleventh. The construction of the canal would actually cause the useless and unwarranted destruction of much valuable property, including mills, factories, and waterworks, as well as many costly and essential highway and railroad bridges. This of itself would cause the greatest inconvenience to the public and would result in a severe dislocation of public travel.

Twelfth. The canal could not be used continuously throughout the year. Temperature and weather conditions would of necessity cause it to stand idle and unusable for many weeks at a time.

Thirteenth. The railroads would lose a vast amount of tonnage and revenues. This of necessity would result in their substantially reducing their facilities and available service in the territory involved. When the canal was idle, this would make it impossible for the railroads to furnish the district with adequate service. The loss of railroad revenues because of traffic diversion to the canal would necessitate rate increases to other districts.

Fourteenth. The Federal, State, and local governments would suffer large tax losses because of the decrease in railroad operations and revenues, and would be forced to increase taxes or get additional revenue in some other way to finance the enormous cost of the construction, maintenance, and operation of the waterway.

Fifteenth. Labor—through no fault of its own—would be severely penalized through the loss of thousands of jobs in the railroad, motor trucking and off-river coal-mining industries—a fact to be considered most seriously in view of probable post-war problems of unemployment. It would be most illogical and unfair to build a canal for the express purpose of providing temporary employment to a relatively small number of men engaged in its construction, when the canal would destroy countless jobs which otherwise would be permanent.

Sixteenth. The proposal in effect is for indefensible and wholly unwarranted subsidy. The taxpayers of the Nation are asked to provide a private and personal toll-free waterway for two steel companies which do not propose to pass on any of their savings in transportation costs to anyone other than their stockholders.

Seventeenth. The project as urged would not be started during the war; and post-war conditions will probably change

the entire aspect of the situation. Therefore, further consideration of its possible authorization should be postponed at least until after the end of the war. In any event, it would be a poor make-work project as only a relatively small proportion of the cost would go to labor.

Mr. President, I am confident that upon a clear and sober consideration of these facts the Members of this great body will reject this outlandish proposal as being totally unnecessary, ill-advised, and unwarranted—a project which will contribute nothing to the welfare and protection of the Nation, and which will, if completed, cause irreparable damage to established industries, communities, and property values throughout a vast segment of the country.

Mr. President, during the time this matter has been under discussion the congressional delegation of Pennsylvania has considered it. The Republican delegation of Pennsylvania, and I may add the Democratic members as well—practically all the members of the Pennsylvania delegation—are opposed to the proposed waterway. I desire to read to the Senate a resolution adopted by the full membership of the Republican delegation at a caucus held during the time the bill now under consideration was being considered in the Senate committee:

Whereas the omnibus bill of the Committee on Rivers and Harbors, H. R. 3961, which passed the House on the 22d day of March 1944, is now being considered by the Committee on Commerce of the Senate; and

Whereas testimony and evidence have now been introduced in said hearings to include in this bill an authorization estimated approximately at \$75,000,000, to construct the so-called Beaver-Mahoning Canal extending from the mouth of the Beaver River in Beaver County, Pa., to Struthers, Ohio, a distance of 36 miles, and of which mileage approximately 31 miles are included within the territorial limits of the Commonwealth of Pennsylvania; and

Whereas during this session of Congress this provision was not included in said bill when it passed the House of Representatives, and no testimony on said project was produced before the Committee on Rivers and Harbors of the House of Representatives; and

Whereas the construction of said canal at this time is in our judgment unnecessary, ill-advised, and unwarranted for the reasons set forth by the various protestants and objectors who appeared before said Senate committee in opposition to said project: Be it now

*Resolved by the members of the Republican delegation from the Commonwealth of Pennsylvania, in the House of Representatives, at a meeting held at the Capitol in Washington on Tuesday, May 16, 1944, That we unanimously oppose the inclusion of this project in said river and harbor bill, and earnestly urge that it be not made a part of said bill for the reasons set forth above.*

HARVE TIBBOTT,  
R. L. RODGERS,  
THOMAS BYRON MILLER,  
Committee, Pennsylvania  
Republican Delegation.

Mr. President, I lived in this neighborhood the greater part of my early years. I believe I know these streams. I have fished along the banks of both the Ma-

honing and the Shenango Rivers, and along the Beaver River. There are times when, at certain places in the Beaver River, one can wade across the river, rolling up his trousers to his knees. I do not believe there is enough water there to construct a successful waterway, and I am sure that such a project would be a failure, even though the Government of the United States should go to this great expense to try to construct such a waterway. I am opposed to the amendment reported by the committee.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22.

Mr. GUFFEY. Mr. President, I wish to say a word about one of the projects included in this bill which should be emphatically repudiated and eliminated by the Senate, because it is nothing but an adroit scheme to spend a very large amount of public money for the private benefit of two rich steel companies—the Republic Steel Corporation and the Youngstown Sheet & Tube Co.

The project to which I refer is the so-called Beaver-Mahoning stub-end canal, which we are told in the engineer's report would cost the Government \$38,500,000 for the purpose of converting two insignificant rivers, having a controlling depth of only 1 foot of water, into a canal 12 feet deep.

The pretended purpose of the proposed canal is to bring water transportation artificially to Youngstown, Ohio, which is located about 40 miles away from navigable water, and has grown to its present size and industrial importance purely as an inland city.

When the steel industry started at Youngstown, it had a very favorable labor market. The freight rate on coal was not a consideration. It had a much more favorable labor market than its competitor in Pittsburgh had at that time. I ask Senators to bear that in mind.

Now, for the benefit of the two great steel companies which I have named, and whose plants are located at Youngstown, this bill proposes to convert Youngstown into a port for water-borne commerce at the expense of the American people.

Since these steel companies, when they originally located their plants, did not have the foresight to go anywhere near the water, they are now asking to have the water brought to them by the American taxpayers.

However, the proposal is even more extraordinary when we lift the curtain and look for what is really behind this project.

It turns out that the two steel companies of Youngstown do not really want the canal for the purpose of using it. They do not really want it as an avenue of navigation, a highway of commerce. They want the Government to build it, and spend \$38,500,000 in doing so, but after it is built they are not primarily interested in floating cargoes upon it.

What they really want the canal for is to beat down the railroad freight rates on coal hauled to Youngstown by rail and

thereby gain for Republic and Youngstown Sheet & Tube a competitive advantage over other steel-producing localities, which the Interstate Commerce Commission has hitherto refused to give them on the ground that it would be discriminatory.

It is to get around this action of the Commission that the steel companies have devised this canal project. They want to use one department of the Government against another, and to have Congress, by appropriating \$38,500,000 of public money, defeat the policy of the body which Congress has set up to regulate rate relationships between localities, namely, the Interstate Commerce Commission.

All this comes out with perfect frankness and clearness from the testimony of the leading proponents of the Beaver-Mahoning Canal project before the subcommittee which conducted hearings on this bill.

I suggest that any Senator who is interested should read the testimony of Mr. Lloyd, secretary of the Mahoning Valley Chamber of Commerce, who admitted that he was speaking primarily for the two steel companies of Youngstown, and whose testimony is found at pages 113 to 125 of the printed hearings.

It is entirely plain from the testimony of Mr. Lloyd and other witnesses that this Beaver-Mahoning Canal project is not intended to make any contribution to the development of our great system of inland waterways, but is merely an attempt to get better railroad rates on coal for the Youngstown steel companies, in view of the refusal of the Interstate Commerce Commission to grant them such rates.

Mr. Lloyd's testimony and that of practically all the other witnesses for the proponents of the project is devoted to the question of freight rates.

He refers to the fact that the Youngstown steel companies, which are farther away from their coal supply than the producers in and around Pittsburgh, naturally have to pay more for hauling their coal than do the producers who are nearer to the source of supply.

Incidentally, however, he says nothing about the fact that the Youngstown steel companies are nearer to the supply of ore, which comes in from the lake ports, and that consequently, with respect to ore rates, the Youngstown companies enjoy an advantage over their Pittsburgh competitors.

Also, the Youngstown companies have a very important advantage in lower rates on their finished products to the great steel-consuming center in the Detroit area.

At present these advantages and disadvantages of the two localities approximately counterbalance each other and leave the Youngstown producers and the Pittsburgh producers in a fair competitive position.

However, the two great Youngstown steel companies are not satisfied with this fair competitive situation.

They of course wish to go on enjoying their lower rates on ore and on their finished products to the Detroit market, but at the same time they want lower

rates on coal, in spite of their greater distance from the mines.

This whole Beaver-Mahoning Canal project is nothing but an effort on the part of those companies to get lower coal rates.

The whole question is a coal-rate question which properly belongs in the jurisdiction of the Interstate Commerce Commission. It is not a waterway question at all.

The manner in which the waterway question was interjected into the controversy is shown by the report of the Interstate Commerce Commission on this canal project, which was made by the Commission on October 3, 1939, in response to certain inquiries from the President of the United States, and which is printed in volume 235 of the Commission's reports, at page 753.

In that report the Commission very clearly points out that the reduction in rates, which the Youngstown steel companies are demanding, would have a discriminatory effect on other localities, and that Congress, in section 3 of the Interstate Commerce Act, has prohibited such discriminations.

Reduction in the rates to Youngstown would, according to the Commission, result in far-reaching disturbances in the competitive relationships of industrial communities throughout the whole steel-producing area, and would not be economically justified merely by the private benefit that would result to the two Youngstown companies.

Mr. BURTON. Mr. President, will the Senator yield to me?

Mr. GUFFEY. I yield.

Mr. BURTON. I merely wish to ask the Senator whether it is not true that that decision by the Interstate Commerce Commission related not to the short canal, but to a question raised by the through canal which would involve a different rate question, of course, than the short canal would raise.

Mr. GUFFEY. Mr. President, I shall put the whole report into the RECORD, so that everyone may understand to what the Interstate Commerce Commission referred. I am not in agreement with what the Senator from Ohio has said.

The Commission then went on to say that under the law the only authority that it would have for authorizing such a reduction in rates would be for the purpose of meeting water competition.

In other words, under the act, if there was water transportation to Youngstown, there would then be a legal ground on which the Commission might, in the absence of economic justification, give the Youngstown steel companies the lower rates which they want. This is the reason why the Youngstown companies are now asking Congress to construct this Beaver-Mahoning canal. It is solely for the purpose of enabling them to go back to the Commission and get their coal rates reduced on the ground of water competition.

This was frankly admitted by Mr. Lloyd in his testimony before the subcommittee, to which I have already referred. He said, in effect, that every avenue for the two Youngstown steel companies to obtain lower coal rates from

the Commission is closed, except through the construction of this Beaver-Mahoning canal.

He referred to the fact that last year the Youngstown Sheet & Tube Co. paid \$24,000,000 in taxes to the Federal Government, and he seemed to assume that this fact should give that company the right to ask the Government to spend \$38,500,000 on a canal for the purpose of reducing the company's coal rates.

Since this is the admitted purpose, and the only purpose alleged, for the Beaver-Mahoning canal project which is contained in the bill now under consideration, it seems clear that the conclusion expressed before the subcommittee by Mr. Percy Tetlow, speaking for the mine workers, is thoroughly sound and justified.

Mr. Tetlow used the following language with respect to this project, as found at page 186 of the hearings:

The great beneficiary would be the Youngstown Sheet & Tube \* \* \* as an investment of money, either post-war or now, or at any time, to my mind it is uneconomical, unsound, and will not be beneficial to all of the people in the communities reached by this canal.

I should also like to bring to the attention of the Senate the following statement by the city solicitor of Pittsburgh, Miss Anne Alpern, who said at page 178 of the hearings:

The problem involved is the question of whether or not you can ask taxpayers to supply funds from all over the country to be utilized not for the general public benefits but for the private gain of a few industries. If the plan is for the financial betterment of the few, then it is for the disadvantageous position of many others.

Miss Alpern elsewhere in her testimony made the following point, which I submit is thoroughly sound and practical:

A bill of this character should not be utilized as a means of superseding the action of the Interstate Commerce Commission, which is established as a rate-making body. There are too many other problems involved in a rate case. The question of the character, the fixed charges to the point of origin and the point of destination, all the complicated, inherent characteristics of a rate case, and this method of appealing it is unsound and untenable (hearings, p. 177).

Therefore, I say that this Beaver-Mahoning canal project ought to be eliminated from this bill by the Senate.

It has no place in this bill.

It is not a real waterway project at all.

It is nothing but a way of defeating the policy of the Interstate Commerce Commission.

It is nothing but a proposal to spend \$38,500,000 for the purpose of reducing the coal rates of the Youngstown Sheet & Tube Co. and the Republic Steel Corporation.

It is an attempt to get Congress to buy that reduction for those two corporations with \$38,500,000 of the public money.

Since that is all that the project comes down to, it is entirely unnecessary to go into complicated matters of figures about the depth and width of the canal, the source of its water supply, the construction of reservoirs, and the prospective traffic volume, largely imaginary, which



have been brought into the discussion for the purpose of confusing the issue.

All of those complicated questions are not relevant, in view of the fundamental nature and purpose of the project.

It is highly significant that the project was opposed before the committee by practically every district, community, and municipality in the whole area along the Beaver, the Upper Ohio, the Monongahela, and the Allegheny Rivers, as well as by the spokesmen for coal-mining labor and railroad labor.

It is also opposed by the owners of practically all the inland coal mines in Pennsylvania, West Virginia, and Ohio, as well as by the public generally.

Possibly the advocates of the canal will attempt to make something of the fact that they have succeeded in obtaining a recommendation from the Army engineers in its favor. That recommendation, as shown by the testimony before the subcommittee, was based entirely on supposed economic considerations, and represents a complete misunderstanding of the economic factors involved.

The engineers would seem to be getting out of their province when they undertake to decide economic questions and to attempt to readjust the competitive position of different industrial areas.

The whole economic argument advanced by the engineers in supposed justification of the Beaver-Mahoning project rests upon the assumption that the present freight rates are too high and should be reduced, although the Interstate Commerce Commissions, the body charged by Congress with determining the reasonableness of rates, has held expressly to the contrary.

The whole argument of the engineers that the construction of the canal would result in a saving assumes that the two Youngstown steel corporations which would be the sole beneficiaries of the saving, are having to pay too much for the transportation of their coal.

Certainly it would not seem that the Army engineers are the proper agency of the Government to determine that question. It is a question for the Interstate Commerce Commission, not for the engineers; and as between the two, Congress should accept the view of the Commission.

There are many questions of detail with respect to which the adoption of this project would open up difficulties which have not been adequately faced, and which would entail embarrassing, expensive, and inconvenient consequences for the people of the communities through which the canal would pass.

Thus, the municipalities along the proposed route discharge their sewage into the rivers which are proposed to be displaced by the canal, and they would find themselves faced with the necessity of spending millions of dollars for the construction of new sewage facilities or else the canal would become an open sewer, highly dangerous to the public health. This matter was developed to some extent, but not as fully as it should have been before the subcommittee, but I shall not take time to elaborate on it here. I simply mention it as an illustration of the hasty and ill-considered way in which

the project has been put forward without giving full attention to many of the important public interests involved.

I will close with just a word as to the ineffectiveness and inappropriateness of this Beaver-Mahoning project as a means of giving employment to labor after the war. If that is the object of the projects which we are now authorizing—and it should of course be very directly the object—then a canal-building project such as this is an ill-advised and ineffective way of accomplishing the intended result. It is well known that relatively a smaller amount of labor is necessary for a project of this kind than in almost any other type of public work. A waterway of this kind would necessarily have to be constructed largely by dredges and other machines which require only a relatively small amount of human labor in their operation, and at the same time the project, if actually operated and not left to stagnate, would have the effect of taking away the work not merely of hundreds of railroad employees, but also of the miners who work in the off-river coal mines which would otherwise supply the Youngstown steel plants with a substantial part of their coal. This is shown by the opposition registered against the project by the representatives of the miners, the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen.

All these groups of labor would stand to lose by this project, while the only beneficiaries would be the Youngstown Sheet & Tube Co. and the Republic Steel Corporation. Certainly we ought not to authorize for any such purpose a project which would cost \$38,500,000 of the taxpayers' money.

Mr. MEAD and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22.

Mr. GUFFEY. Mr. President, do I not have the floor? I wish to ask the Senator in charge of the bill whether he wishes to complete consideration of the bill today or let it go over until tomorrow.

Mr. OVERTON. I understand that a yea-and-nay vote has been requested. If we were to take a vote a quorum would first have to be developed.

Mr. HILL. Mr. President, I understand that the distinguished Senator from Ohio [Mr. TAFT] wishes to speak for about 10 minutes.

Mr. OVERTON. I understand that there will be no further speeches on this amendment after the Senator from Ohio shall have concluded.

Mr. GUFFEY. Will the Senator from Louisiana endeavor to get a vote tonight?

Mr. OVERTON. Not under the circumstances which I have stated.

Mr. HILL. I do not know how long it will take the Senator from Pennsylvania [Mr. GUFFEY] to conclude his address.

Mr. GUFFEY. I can take an hour or stop right now.

Mr. HILL. I believe that if the Senator from Pennsylvania were not to talk too long, and if the Senator from Ohio were to speak briefly, we could conclude the

debate tonight and tomorrow we could finish consideration of the bill.

Mr. OVERTON. I believe that could be done.

Mr. GUFFEY. I may offer some matter for the Record tomorrow. I now yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22.

Mr. TAFT. Mr. President, I shall speak very briefly upon the subject before the Senate. I shall speak in behalf of the amendment offered by my colleague in the Committee on Commerce, and adopted by the committee.

I listened with considerable interest to the speech of the Senator from Wyoming [Mr. ROBERTSON.] If the arguments which he presented are valid there should have been no rivers included in the bill, because the arguments made were substantially that our railroad transportation is wholly adequate today and that we need no canals of any kind. It is necessary to deal with the argument because many times Congress has asserted an opposite view to that expressed by the Senator from Wyoming, and has proceeded to build waterways wherever they might be built and return economic advantage to the United States. The justification of the project under discussion is that by the proposed expenditure there would be constructed a canal which, according to the Army engineers, would bear a heavy traffic, and by the reduction in the cost of transportation thereby would return an economic advantage to the United States.

It has been said that this would be a dead-end canal, but if we have a river system surely the traffic need not be confined to a single river. It is sound policy to extend the traffic on the branches of a river where there would be reached by that means some center of industry or other activity which would return traffic justifying the necessary expenditure. The Army engineers have found in this case that this additional expenditure is justified by the tremendous traffic which will be produced between the Youngstown steel center and the Ohio River.

If we adopt the proposal of the Senator from Wyoming that a certificate of public necessity should be required for every river improvement, and that if there is rail transportation there can be no river improvement, it will prevent the development of all additional and new means of transportation in the United States. The same theory would have prevented us from building public roads upon which trucks might run in competition with the railroads. The same theory would prevent the development of air freight, and yet I feel that is going to be one of the great developments of the future.

The truth is that these different forms of transportation are useful for different purposes, and the peculiar advantage of river transportation is in the carrying of heavy material, gravel, coal, steel, and in this case the particular project offers a cheap mode for the transportation particularly of coal and steel between the Ohio River and Youngstown.

It is true that the Interstate Commerce Commission has refused a reduction of rail rates, presumably because rail transportation is more expensive, presumably because the rates cannot be reduced, since it would not be economical to carry this heavy material by rail at the lower rates which are requested, and at the lower cost at which they can be carried by water transportation. I feel, therefore, that the justification for this project is the economic justification of extending our river system wherever the traffic to be reached is sufficient to justify the expense involved.

It is strange that the opposition to this canal comes from the Senators from Pennsylvania. The Pennsylvania interests were well pleased with the canal when it was projected to run all the way through from the Ohio River to Lake Erie, because they figured that the expenditure would give them some slight advantage in the reduction of the price of their ore. They are opposed to this project, not because of any particular economic opposition to the canal, but because they think it would enable Youngstown steel companies to compete more successfully with the Pittsburgh steel companies. That probably is true, but it would not be an exclusive advantage to the steel companies in Youngstown. It would affect every one of 150,000 people who live in Youngstown. It would affect the labor unions of Youngstown, and every labor union there has endorsed it, and every interest in Youngstown has endorsed it.

The opposition to the proposal is not based merely on a desire that we not spend the money, but it is based on the fact that because this kind of extension can be made, and can be made with economic justification, it is going to give some advantage competitively to those who are reached by the extension as against others who already have the particular advantages of water transportation. I submit that is not a proper ground for opposition to a project which can in and of itself prove economic justification.

Mr. President, I wish to submit to the Senate that if we are to proceed with a billion-dollar public works program dealing with the rivers of this country, certainly we cannot exclude from the program a project which has more economic justification, which is better designed to carry the peculiar type of traffic for which water transportation is designed, than any other project in the bill.

Mr. President, I submit that the amendment of my colleague should be agreed to.

Mr. HILL. Mr. President, I understand that the Senators who desired to speak on the pending amendment have now all been heard. So far as I can ascertain, that is the situation. We desire to make as much progress as possible on the bill, and to dispose of the pending amendment the first thing tomorrow morning, if possible, and as we are about to go into executive session and then take a recess, I ask unanimous consent that the Senate vote on the pending amendment and all amendments thereto at not later than 12:30 o'clock p. m. tomorrow.

Mr. WHITE. Mr. President, could there not be an arrangement as to a division of the time between those who are proponents of the amendment and those who are opposed? I hardly think it would be fair to enter into such an agreement and then have one Senator secure recognition at 12 o'clock tomorrow and speak for half an hour.

Mr. OVERTON. There is no one else to speak on the amendment.

Mr. HILL. I do not know of any other Senator who wishes to speak on the amendment.

Mr. GUFFEY. The Senator from Kansas may desire to speak.

Mr. HILL. I understand the Senator from Kansas is willing to delay his remarks until after the amendment has been voted upon.

Mr. REED. What the Senator from Kansas will say will have general application to the bill. As a matter of fact, the Senator from Kansas expects to vote against the pending amendment.

Mr. WHITE. Mr. President, I have no personal desire to discuss the amendment, but it has been suggested to me by at least one Senator who is vitally interested that 12:30 is a little too early. A quorum call will consume a substantial part of that time, and I suggest as a compromise that the hour be set at not later than 1 o'clock. I think there will be no objection to that.

Mr. HILL. Mr. President, I modify my request, then, and ask that the Senate vote on the amendment and all amendments thereto at not later than 1 o'clock tomorrow afternoon.

Mr. CLARK of Missouri. Reserving the right to object, Mr. President, to the unanimous consent request, I want it understood that the Senator from Kansas is not going to deliver his speech against the Army engineers in this hour without my requiring at least a half hour to reply to it.

Mr. HILL. I understood the Senator from Kansas to state just a few minutes ago—and if I am in error, the Senator from Kansas will correct me—that he will delay his remarks until after the disposition of the pending amendment and all amendments thereto.

Mr. REED. The Senator is correct.

Mr. CLARK of Missouri. Then that is all right.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the Senate vote on the pending amendment and all amendments thereto at not later than 1 o'clock p. m. tomorrow? The Chair hears none, and the order is entered.

#### ADDITIONAL REPORT OF A COMMITTEE

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 5062) to authorize certain transactions by disbursing officers of the United States, and for other purposes, reported it without amendment and submitted a report (No. 1311) thereon.

#### TRIBUTE TO JUDGE KENESAW MOUNTAIN LANDIS

Mr. MEAD. Mr. President, I wish to pause in the course of Senate business to pay tribute to the passing of a great American, Judge Kenesaw Mountain

Landis. Before he became associated with baseball, Judge Landis had lived a full and eventful life which was climaxed by an honorable career on the Federal bench. Always a colorful character, he attracted the attention of the Nation by his individuality and fearlessness in carrying out his judicial duties as a member of the Federal court.

When the great American pastime of baseball was threatened by the Black Sox scandal connected with the world series of 1919 between the Cincinnati Reds and the Chicago White Sox, baseball turned to Judge Landis and conferred upon him extraordinary powers to rule the game. Under the terms of the agreement made in January 1921 for 25 years, Commissioner Landis was authorized to rule the destiny of baseball with an iron hand. There were some who had considerable misgivings about reposing such great power over this American sport in one man for fear that the power would be abused; yet during each successive term of Judge Landis as commissioner, his honesty, integrity, and fair dealing with baseball players and club owners alike recommended the judge for succession in himself as commissioner.

That confidence in professional baseball was shaken before Judge Landis took office cannot be denied. Today it is on the highest level it has reached since its founding by Abner Doubleday. There are some who say that the "Sultan of Swat," Babe Ruth, saved the game, while others credit Judge Landis. There is plenty of room for glory for both of them. The incomparable Babe pleased the crowds in the stands and made the turnstiles click. Judge Landis maintained the integrity of the game and kept the machinery of baseball functioning smoothly.

In the global struggle in which we are now engaged we in America have created the mightiest Army in history. American competitive sports have played a great part in conditioning our youth and in filling them with the spirit to win.

Baseball has made its contribution to the war effort. It provides wholesome recreation in those theaters where the boys have a few leisure hours. In my trip around the world I attended baseball games in the "land of the midnight sun," as well as in the islands of the South Pacific. In all theaters we found the boys hungry for sports. They look for the baseball scores eagerly each day just as they did here at home.

Organized baseball has neither asked nor received preferential treatment for baseball players. Those who have answered their country's call are serving in all branches of the armed forces. While the ability of the players in organized baseball today may not be up to the pre-war standard because of the loss of many of the stars to the armed forces, nevertheless, the great American pastime is carrying on and is furnishing amusement and recreation for our war workers here at home.

We all look forward to renewed activities and expansion in this great American sport when the terrible conflict in which we are now engaged is brought to an end.



We can be grateful to Judge Landis for his distinguished career and for the fine example which he has set for the one who may be selected to carry on. He will long be remembered for his contribution to our way of life.

For his contribution to baseball Judge Landis has earned a place in baseball's Hall of Fame with the honor men of the history of the development of the game, including John McGraw, Connie Mack, Ban Johnson, and Albert Spalding, and with the other immortals of the diamond, Ty Cobb, Babe Ruth, Honus Wagner, Walter Johnson, Christy Mathewson, and their teammates enshrined at Cooperstown, N. Y.

Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point as a part of my remarks several editorials relative to the passing of Judge Landis.

There being no objection, the editorials were ordered to be printed in the *RECORD*, as follows:

[From the Niagara Falls Gazette of November 28, 1944]

#### KENESAW MOUNTAIN LANDIS

One of the most picturesque, and certainly one of the most courageous, figures on the American scene died Saturday at the age of 78—Judge Kenesaw Mountain Landis, the commissioner of the country's national sport for 24 years.

He was a member of the celebrated Landis family which moved to Logansport at the close of the Civil War. There young Kenesaw spent his boyhood and early manhood. He delivered newspapers on the family horse, worked in a grocery, and started his career as a reporter on the old Logansport Journal. It was from that beginning that he stepped into court reporting and climbed the ladder to legal success.

As a Federal district judge at Chicago he won fame for his inflexible attitudes and with organized baseball needing so badly a ruler, he was the natural choice of the country. He took the baseball post on the same understanding that he presided on the bench—his word was law. Organized baseball accepted his terms. It proved wise, for under his 24-year commissionership the sport rose to its peak of popularity and acceptance.

He was literally a symbol of pioneer Americanism—thoroughly honest, sturdy, direct, and intensely active. The whole country will join in mourning the loss of one of its greatest sons.

[From the Atlanta Constitution of November 27, 1944]

#### KENESAW M. LANDIS AND HIS MOUNTAIN

Judge Kenesaw M. Landis died Saturday after several years of declining health.

Called to baseball to become its literal czar, he took over when the very foundations of the game were shaken by the notorious "Black Sox" scandal of 1919. In this series, played between the Cincinnati Reds of the National League and the Chicago White Sox of the American, the Reds won five games to three. The White Sox, great favorites to win, later were revealed to have had in their lineup men who had sold out to gamblers. In the next 2 years other players were discovered to be tainted with gambling associations.

Judge Landis, who had been a famous Federal judge, was called in and given totalitarian powers. He cleaned up the game, the fans having confidence in him. Babe Ruth came along and began hitting home runs and the fans forgot the "Black Sox" and baseball entered into its most prosperous era.

Georgia and Judge Landis had a special tie. The judge's father had been a soldier with Sherman's army and learned of the birth of his son shortly after the battle of Kenesaw Mountain, near Marietta. He named his son for the mountain. Judge Landis, on his visits south, always insisted on going out to see my mountain.

He rendered a real service to baseball and in his passing we have lost a national character and a man of positive force and integrity.

[From the Patriot, Harrisburg, Pa., of November 27, 1944]

#### HE SAVED BASEBALL

Judge Kenesaw Mountain Landis' death takes professional baseball's savior as well as czar and likewise ends the career of a notable judge. It was the vigorous, hardfisted record of Judge Landis on the bench that commended him for an analogous role with a commercialized sport.

In neither capacity did Judge Landis brook opposition. In both instances he was czar. Many an offender of the statute laws came to realize that just as did the players, managers and others under the blanket of big league baseball.

Many persons still find it impossible to understand why Judge Landis left the bench for the dais of sport. There was a substantial difference in income, to be sure. Baseball magnates, seeing their business crumble around them because of the taint and suspicion of gamblers, arranged the compensation to fit the title of czar.

But if to some persons Judge Landis' abandonment of law for sport seemed odd or eccentric such action may seem less so in view of the great hold which baseball has upon the American people, old and young, and how vital it is that even a commercialized sport which can command such loyalty and enthusiasm from its supporters should be a clean, decent game worthy of the devotion and idolatry it is given by its followers.

Judge Landis lived long enough to see professional baseball pretty well scoured clean of its old gambling stains and, little better, the Simon Legree handling of some of its players.

[From the Philadelphia Record of November 27, 1944]

#### SYMBOL OF INTEGRITY

Judge Kenesaw Mountain Landis was almost as well known to the last two generations of Americans as any President of the United States who served during his time.

And yet only a handful of people knew the judge intimately.

No back-slapper, no personality-plus fellow, he stood as a symbol more than as a flesh-and-blood human being. He was the symbol of integrity—first, on the Federal bench and second as high commissioner of baseball. Figuratively, he lived in an ivory tower, this czar who made honesty in our great national game a sportsman's religion.

So thoroughly did he clean up the notorious Black Sox scandal of 1919 that when crookedness occurred in some other activity, we'd say: "What it needs is a Judge Landis."

He was paid \$50,000 a year by the club owners to keep baseball on the level and to adjust, without appeal from his rulings every dispute that might arise. He was always fair to the players. He never hesitated to talk back in sharp language to the men who paid his salary when he felt they were wrong.

Baseball will have a tough job finding another Judge Landis.

[From the Washington Star of November 26, 1944]

#### JUDGE LANDIS

The death of Kenesaw Mountain Landis takes away a figure who had become as much a part of baseball as third base. For nearly

a quarter of a century "the Judge" ruled the national pastime, and, while an occasional edict stirred the fires of rebellion among club owners, discretion always managed to triumph, and the invariable end was a new contract for the high commissioner, whose \$65,000 salary almost equaled that of the President of the United States.

Judge Landis came to baseball when the multimillion-dollar industry faced an uncertain future because of the scandal which ultimately brought about the banishment of eight members of the Chicago White Sox for throwing games in the 1919 World Series. Before that time there had been some agitation for appointment of an overlord as a result of dissatisfaction with the administration of baseball's affairs by the old National Commission, but opposition proved too strong. The 1920 disclosures, however, threatening to give the game a permanent black eye, moved the club owners to act, and Judge Landis was brought into the picture.

To baseball Judge Landis carried the prestige of a reputation built up in the 15 years he had served in Federal District Court in Chicago. The general public knew him best because of a \$29,000,000 fine he had levied against Standard Oil of Indiana in a freight-rebate case, which later was nullified by a Supreme Court decision. Others more conversant with the routine of the courts knew him as a hard-working judge who was not bothered by precedent in his efforts to administer justice.

Throughout his long service as baseball's supreme ruler, Judge Landis continued to administer justice as he saw it, without regard for the eminence of the parties concerned. He let "Alabama" Pitts, former convict, have his chance in organized baseball—but there was no mercy for offenders against the probity of the game itself. Baseball will miss "the Judge."

[From the Duluth (Minn.) News-Tribune of November 27, 1944]

#### THEATRICAL BUT COURAGEOUS

Kenesaw Mountain Landis, who died in Chicago Saturday, is known to the present generation only as the "czar of baseball," and "czar" he was, for he ruled the national game with an iron hand. But history will record him as distinctly something else, despite the fact the most of his life's best known years were connected with sport.

The high point in Judge Landis' career came in 1907, when he levied a fine of \$29,240,000 on the Standard Oil Co., convicted of accepting rebates from railroads. The size of the fine, no doubt the greatest ever imposed anywhere at any time, attracted Nation-wide attention; the sudden emergence of a comparatively obscure United States judge, into the public limelight, brought him into focus at once and the unconventionality of his given names, "Kenesaw Mountain," nailed the attention of the public and forbade his being quickly forgotten.

Not only these things marked his career, but always it takes courage, even reckless daring, to take a stand or action against a corporation or combination that holds such high position and prominence in the financial world. Standard Oil was a name and a company to be considered in that period with care and tact. True it had been under attack for some time, and just about then another court's decision, confirmed by the United States Supreme Court, had caused it to split up into several sections; but that was only for legality, for its combined strength never changed.

It was the fact that Judge Landis was slapping the greatest fine in history on the greatest financial giant in history that attracted attention and admiration—some grudging, but nevertheless, admiration. From then on he was never lost to public sight, and when the baseball scandal of the early '20s broke out and the game came

close to the death rattle, Judge Landis was called in as the "physician" to restore it. He resigned from the bench in 1920 to take the \$60,000 a year job as dictator of the game, and proved worth it, for he not only saved the national sport, but cleansed it of crookedness, restored its standing in the confidence of the public, and has kept it there ever since. He has been a benevolent dictator, and an able one. With all his theatricalness, he has proved to American sport worth all that was paid him and all that was said of him. His successor, if one is named, has been set a record to equal that will be something worth emulating.

#### MARRIAGE AND DIVORCE AMONG KLAMATH AND MODOC TRIBES AND OTHER INDIANS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 267) relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, which was, on page 1, line 10, after the word "marriages", to insert "with members of said tribes mentioned in section 1."

Mr. CORDON. Mr. President, with the consent of the chairman of the Committee on Indian Affairs, the Senator from Wyoming [Mr. O'MAHONEY], I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### RELIEF OF ARMY DISBURSING OFFICERS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 218) to authorize the relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge, which was, on page 2, line 3, to strike out all after the word "Office," down to and including "War;" in line 6.

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the amendment of the House.

Mr. WHITE. Mr. President, during the afternoon I have endeavored to contact minority members of the committee from which this bill came. I have found no objection on the part of any of those Senators to the motion of the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

#### FARM LABOR PROGRAM

Mr. O'MAHONEY. Mr. President, the deficiency bill is now under consideration in the House of Representatives. Heretofore at the close of the calendar year, for several years, the Congress has made an appropriation for the recruiting of farm labor.

The appropriation has been made on a calendar-year basis. This year the Bureau of the Budget has requested that it be made on a fiscal-year basis. It seems to me that such a policy would have a rather disadvantageous effect upon the recruitment of labor for the growers of sugar beets. I have written a letter to the Director of the Budget urging that an estimate be submitted

immediately for the calendar year 1945 so that farmers who raise beets may have the earliest possible assurance that every effort will be made to secure a labor force.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed at this point in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 5, 1944.

HON. HAROLD D. SMITH, Director,  
Bureau of the Budget,  
State Department Building,  
Washington, D. C.

DEAR MR. SMITH: May I not invite your attention to the imperative necessity of an immediate appropriation for farm labor for the year 1945. The War Food Administration is emphasizing the need for large plantings of sugar beets in 1945 in order that, if possible, the production of beet sugar be increased. At this moment conferences are in progress here in Washington with representatives of the growers for the purpose of canvassing ways and means of expanding the planting of beets in 1945.

A great obstacle to the expansion program lies in the fact that it is difficult to secure labor for harvesting the beet crop and the War Food Administration has been obliged to contract for the importation of workers from Mexico and elsewhere. At least 60,000 workers should be brought into the United States next year, but with the funds it is proposed to make available through the pending deficiency appropriation bill the War Food Administration cannot make contracts for more than 15,000.

Obviously this will be a serious obstacle to any expansion program. Sugar-beet farmers must have some assurance now that labor will be available during the harvest; otherwise they cannot take the risk of planting sugar beets, the harvesting of which requires so much labor. The result will be the production of less domestic sugar than the War Food Administration deems necessary.

The estimate of November 27, 1944 (H. Doc. No. 783) provides for the postponement of a specific estimate for a complete farm-labor program until later in 1945. I cannot avoid the conclusion that this would be a serious mistake. The appropriations for farm labor have heretofore been made on a calendar year basis. To delay the full appropriation until the regular appropriation bill for the fiscal year 1946 would mean that sugar-beet farmers would lack the assurance that is necessary that a program for the importation of a sufficient labor force would be undertaken. May I not, therefore, urgently request the submission of a complete estimate now for the calendar year 1945.

Very sincerely yours,

JOSEPH C. O'MAHONEY.

#### EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. WHERRY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations, conventions, and protocols were submitted:

By Mr. REYNOLDS, from the Committee on Military Affairs:

Sundry officers for promotion in the Regular Army, under the provisions of law; sundry officers for appointment, by transfer, in the Regular Army; and sundry officers for temporary appointment in the Army of the United States, under the provisions of law.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Sundry officers for promotion in the Diplomatic and Foreign Service;

Executive J, Seventy-eighth Congress, second session, a protocol dated in London, August 31, 1944, which has been signed on behalf of 16 governments, including the United States of America and the Commonwealth of the Philippines, to prolong after August 31, 1944, the international agreement regarding the regulation of production and marketing of sugar signed in London May 6, 1937, as enforced and prolonged by a protocol dated in London July 22, 1942; without amendment (Executive Rept. No. 5).

By Mr. GEORGE, from the Committee on Foreign Relations:

Executive G, Seventy-eighth Congress, second session, a convention between the United States of America and Canada for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties, signed in Ottawa on June 8, 1944; without amendment (Executive Rept. No. 3); and

Executive I, Seventy-eighth Congress, second session, a convention and protocol between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes; without amendment (Executive Rept. No. 4).

#### THE STATE DEPARTMENT

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations I report favorably the following nominations:

Joseph C. Grew, of New Hampshire, to be Under Secretary of State;

Nelson A. Rockefeller, of New York, to be an Assistant Secretary of State;

W. L. Clayton, of Texas, to be an Assistant Secretary of State; and

Archibald MacLeish, of Virginia, to be an Assistant Secretary of State.

The PRESIDING OFFICER. The nominations will be received and placed upon the Executive Calendar.

Mr. CLARK of Missouri. Mr. President, lest my acquiescence in the report of the nomination of Mr. Archibald MacLeish, the famous poet, supposed Librarian of Congress, which he has never been, may be considered to amount to my approval of that nomination, I desire to give notice at this time that it is my intention, when Mr. MacLeish's nomination is called on the calendar, which will probably be tomorrow, to move that his nomination be recommitted to the Committee on Foreign Relations with instructions to hold hearings as to his qualifications.

Mr. WHEELER. Did the Senator from Missouri have reference to the poet?



Mr. CLARK of Missouri. Well, he claims he is a poet. I never have been informed from sources which are reliable that he is.

Mr. WHEELER. I understood a poet was wanted in the State Department.

Mr. CLARK of Missouri. Did the Senator from Montana ever see any poems of his that were printed in the anthologies?

Mr. WHEELER. I never saw any of which I could make sense.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

#### THE ARMY—NOMINATIONS PASSED OVER

The legislative clerk proceeded to read sundry nominations in the Army, which nominations had been previously passed over.

Mr. HILL. Mr. President, in view of the fact that the Committee on Military Affairs today reported a number of nominations in the Army, which will be on the Executive Calendar for action tomorrow, I ask that the nominations in the Army now on the calendar be passed over, so that all the nominations in the Army may be considered together tomorrow.

The PRESIDING OFFICER. Without objection, the nominations in the Army will be passed over.

#### POSTMASTER—NOMINATION REPORTED ADVERSELY

The legislative clerk read the nomination of Rachel Elgiva McCracken to be postmaster at Galt, Mo., which had been reported adversely.

Mr. WHITE. I ask that the nomination be passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

#### THE JUDICIARY

The legislative clerk read the nomination of Aloysius J. Connor to be United States district judge, district of New Hampshire.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

#### THE NAVY

The legislative clerk read the nomination of Capt. Frederick W. McMahon to be commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Air Force, United States Pacific Fleet.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Capt. Howard B. Mcleary, United States Navy, retired, to be commodore in the Navy, on the retired list, for temporary service, to continue while serving as commanding officer, United States naval advance base, Espiritu Santo.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HILL. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

#### RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, December 6, 1944, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate December 5 (legislative day November 5), 1944:

##### IN THE NAVY

Rear Admiral Donald Royce, United States Navy, to be a rear admiral in the Navy, for temporary service, to continue while serving as commanding officer, Naval Air Material Center, to rank from the 12th day of July 1942.

Rear Admiral Frederick W. Pennoyer, Jr., United States Navy, to be a rear admiral in the Navy, for temporary service, to continue while serving as fleet aircraft maintenance officer, on the staff of commander, Air Force, Pacific Fleet, to rank from the 21st day of July 1942.

Rear Admiral Arthur C. Miles, United States Navy, to be a rear admiral in the Navy, for temporary service, to continue while serving as Bureau of Aeronautics general representative, central district, to rank from the 2d day of December 1942.

Commodore Cyril T. Simard, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, Naval Air Bases, Thirteenth Naval District, to rank from the 20th day of October 1944.

Commodore Walter F. Boone, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, Naval Air Bases, Twelfth Naval District, to rank from the 20th day of October 1944.

Commodore William M. Angas (CEC), United States Navy, to be a civil engineer with the rank of commodore in the Navy, for temporary service, to continue while serving as officer in charge of a naval construction brigade, to rank from the 20th day of October 1944.

Commodore Andrew G. Bisset (CEC), United States Navy, to be a civil engineer with the rank of commodore in the Navy, for temporary service, to continue while serving as officer in charge of a naval construction brigade, to rank from the 20th day of October 1944.

Commodore John R. Perry (CEC), United States Navy, to be a civil engineer with the rank of commodore in the Navy, for temporary service, to continue while serving as officer in charge of a naval construction brigade, to rank from the 20th day of October 1944.

Commodore Harold M. Martin, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Air Force, Atlantic Fleet, to rank from the 20th day of October 1944.

Capt. Leroy W. Busbey, Jr., United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, American naval forces, Aruba, Netherlands West Indies, and commander,

combined local defense forces, Aruba, Netherlands West Indies.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate December 5 (legislative day of November 21), 1944:

##### THE JUDICIARY

##### UNITED STATES DISTRICT JUDGE

Aloysius J. Connor to be United States district judge for the district of New Hampshire.

##### IN THE NAVY

##### TEMPORARY SERVICE

Frederick W. McMahon to be commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Air Force, United States Pacific Fleet.

Howard B. Mcleary, United States Navy, to be commodore in the Navy, on the retired list, for temporary service, to continue while serving as commanding officer, United States naval advance base, Espiritu Santo.

##### POSTMASTERS

##### KANSAS

Mattie V. Bohling, Fowler.  
Albert J. Anderson, Green.  
Clayton B. Barton, Ingalls.  
Louis W. Crady, Lecompton.  
Nellie L. Stark, Linwood.  
Della M. Bailey, Menlo.  
George B. Viney, Murdock.  
Robert L. Bever, Narka.  
Agnes Lennen, Partridge.  
Grace Benton, Robinson.  
Frank B. Kumberg, Sawyer.  
Joseph R. Hubbard, Waldo.  
Daniel B. Fogle, Williamsburg.

##### LOUISIANA

Eula M. Ewing, Batchelor.  
Eva A. Matlock, Bethany.  
Mary V. Bryson, Greenwood.  
Robert Hamilton Fuller, Hosston.  
Idella N. Trombino, Keatchie.  
Annie I. McCord, Keithville.  
Audrey Rowe, Longstreet.  
Cecile M. Germany, Loreauville.  
Nova V. Baker, McDade.  
Marcella E. Barbier, Paincourtville.  
Orren M. Peters, Quitman.  
Sherman H. McCarty, Roanoke.

##### MISSISSIPPI

Bessie Puckette, Chunky.  
Marshall Carson, Conehatta.  
Esta K. Campbell, Dennis.  
Mamie McGraw Whittle, Gholson.  
Lela Epps, Golden.  
Erie Riggan, Greenwood Springs.  
Nettye B. Eley, Harpersville.  
Euna Clower, Hillsboro.  
Herd E. Stone, Ludlow.  
Louise Burris, McCall Creek.  
Lyman W. Smith, Midnight.  
Luther D. Henderson, Preston.  
Nannie Bryant, Summerland.  
Joe G. Ishee, Stringer.  
Gertrude H. McGee, Vosburg.

##### PENNSYLVANIA

Arthur W. Ewing, Industry.  
James H. McConnell, Jackson Center.  
Sarah Mitchell, Kennerdell.  
Anna C. O'Mara, Laceyville.  
Nathaniel E. Lyons, Lake Lynn.  
Lawrence J. Wood, Lima.  
Joseph T. Qualters, McKeesport.  
Birtus B. McDowell, Mineral Springs.  
Wilbert R. Adams, New Kingstown.  
Margaret M. Watson, Parkland.  
Marshall E. Yost, Point Pleasant.  
Ruth K. Humphrey, Prospect.  
Jacob C. Reddig, Reamstown.  
Stephen E. Hornberger, Reinholds.  
Susan Breene, Reno.

## TEXAS

Ruth Finley, Aquilla.  
 Edmund B. Cummins, Cleveland.  
 Cecil Miracle, Eddy.  
 James E. Wallace, Flint.  
 Roe Sledge, Forestburg.  
 Isaac G. Malone, Goodlett.  
 Emma Annette Greer, Lake Jackson.  
 Tom Hazle Bivins, Longview.  
 Wilora Damuth, Magnolia.  
 William A. Harty, Marietta.  
 Sallie Hudson, Newark.  
 Catherine H. Bannister, Old Ocean.  
 Letha B. Gramer, Panhandle.  
 Mildred W. Carpenter, Pattonville.  
 Willie J. Allison, Pickton.  
 Faye Emberson, Pilot Point.  
 Mary V. Denton, Port Aransas.  
 Jesse M. Robbins, Raymondville.  
 William A. Ramirez, Roma.  
 Rua M. Arthur, Saltito.  
 Verna Appling, Shepherd.  
 John W. Wright, Thalla.  
 Gertrude B. Rabke, Tivoli.  
 Raleigh C. Spinks, Vera.  
 Nelson G. Hargett, Weslaco.

## VERMONT

Arthur C. Wells, Bakersfield.  
 Edward P. Kelley, Danby.  
 Anna H. Morrie, East Barre.  
 Lester L. Worthley, East Corinth.  
 Marguerite C. McKenzie, Hinesburg.  
 Edith M. Reed, Jacksonville.  
 Marion L. Grover, Londonderry.  
 Frances E. Rock, Ludlow.  
 Murray K. Paris, Lyndon.  
 Merlin B. Ward, Moretown.  
 Frank A. Curran, Newport.  
 Herbert J. Tute, Newport Center.  
 Harold G. Kennedy, St. Albans.  
 Olive E. Fullam, Westminster.  
 Raymond Taylor, Weston.  
 Oney B. Lafont, Wolcott.

## WISCONSIN

Ann J. Karth, Arlington.  
 Francis J. McCarty, Brownsville.  
 Leona R. Johnson, Danbury.  
 Wencel A. Mattek, Deerbrook.  
 Everett R. White, Glenhaven.  
 Gordon J. Cross, Larsen.  
 Marjorie M. Minten, Menomonee Falls.  
 Oscar R. Horn, Muskego.  
 Nora Flynn, Neopit.  
 Gertrude M. Heaney, Poy Sippi.  
 Florence M. Van Poucke, South Range.  
 James Ervin Casey, Star Prairie.  
 Glenn T. Anderson, Tripoli.

## HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 5, 1944

The House met at 11 a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God, Thou who didst come with the living word, we pray that our civilization may not wander between two worlds, one dying and the other struggling to be born. Let there come such an outrush of sacrificial and patriotic power in our country that our wearied armies shall feel the mighty impact and soon snatch redemption from the throes of ruin. Let there be heard again the words of hope and cheer which in the pain of parting they left amid tears, and the day of blessed fellowship renewed.

Blessed is the land whose God is the Lord which lifts its soul to pure air and broad view. If we are to exalt the cross of our Lord and Master, we must follow the path of helpful service and good will

based on fraternity and not on conflict. Thou hast woven us to other peoples by the shuttles of the Sermon on the Mount and the Golden Rule of Jesus; forbid that we should be a hermit nation, that the evangel of the Carpenter of Nazareth should be jostled aside and crowded out of the soul of America. Keep from us, our Father, that dangerous solicitude of wealth and gain and let the heart of our land rest on Christian ideals as we turn to a future of promise with a common love and a common purpose. O Christ, sanctify our homes, and may we forgive as we hope to be forgiven. In our Redeemer's name. Amen.

The Journal of the proceedings of Monday, December 4, 1944, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 1744. An act to provide Government protection to widows and children of deceased World War veterans.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1471. An act for the relief of Mrs. Eugene W. Randall.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2825) entitled "An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'DANIEL, Mr. STEWART, and Mr. WHERRY to be the conferees on the part of the Senate.

## EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial; also to extend my remarks in the RECORD and include a statement made by the gentleman from California [Mr. VOORHIS] before the Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(Mr. ANGELL asked and was given permission to extend his remarks in the Appendix and include a newspaper article.)

## PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

## ELIAS BAUMGARTEN

The Clerk called the first bill on the Private Calendar, H. R. 2148, for the relief of Elias Baumgarten.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admission at ports of entry of aliens as immigrants for permanent resi-

dence in the United States, the provisions of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which exclude from admission into the United States "persons who have been convicted of or admit having committed a felony, or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Elias Baumgarten, on account of a conviction in Austria while a youth for having been involved in the stealing of certain merchandise. If he is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Elias Baumgarten under this act upon application hereafter filed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PEDRO JOSE ARRECOCHEA

The Clerk called the bill (S. 556) for the relief of Pedro Arrecococha.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Attorney General of the United States be, and he is hereby, authorized and directed to cancel deportation proceedings in the case of Pedro Jose Arrecococha, of Shoshone, Idaho, legally admitted as a seaman but who has remained in the United States longer than permitted by law and regulations, and that this alien shall be considered as having been admitted for permanent entry as of the date of his actual entry on the payment of the visa fee of \$10 and head tax of \$8. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota for the first year that the said Spanish quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## FILIP NICOLA LAZAREVICH

The Clerk called the bill (H. R. 4146) for the relief of Filip Nicola Lazarevich.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and deportation laws the Attorney General is hereby authorized and directed to cancel the warrants of arrest and deportation heretofore issued against Filip Nicola Lazarevich, of Dearborn, Mich., on the ground that he admits having committed a felony or other crime or misdemeanor involving moral turpitude prior to entry into the United States, to wit, perjury; and that hereafter he shall not again be subject to deportation for any offense heretofore committed in connection with his endeavor to be and remain in the United States. For the purposes of the immigration and naturalization laws, such alien shall be deemed to have been lawfully admitted to the United States for permanent residence as of May 23, 1938, the date on which he was admitted to the United States at the port of New York on a quota immigration visa.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## RELIEF OF CERTAIN BASQUE ALIENS

The Clerk called the bill (H. R. 2626) for the relief of certain Basque aliens.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Attorney General of the United States be, and is hereby,